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Automotive News

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France hires consultants to report on Renault

By Jean-Jacques Renaux
SPECIAL CORRESPONDENT

PARIS — Booz, Allen & Hamilton Inc., a U.S.-based consultant group, has been called in by the French government to conduct a detailed study of Renault, the troubled state-owned automaker.

Last week, the French administration and Booz, Allen's Paris office would not confirm or deny the development, which was leaked to a French economics journal.

Renault would not confirm the report either, but a source at the company's headquarters implicitly admitted it by saying, "We don't even know whether the decision came from the minister of industry, Alain Madelin, or the minister of economy and finance, Edouard Balladur."

The news was reported last week by La Lettre de l'Expansion, a weekly newsletter published by l'Expansion.

According to the journal, the government called in the consultants to provide independent advice on how to deal with the money-losing car group. Booz, Allen conducted a similar study of Chrysler in 1980.

Renault lost the equivalent of about $1.6 billion last year and is expected to report a loss of about $750 million this year. Its debts are estimated at $9 billion.

Madelin, a minister in the recently elected conservative government, has been reluctant to help Renault financially.

After Georges Besse, Renault's president, talked to the press during the recent Paris auto show, Madelin reportedly was not convinced by Besse's optimism about Renault's improvement.

Besse was reluctant to speak about any financial help from the company's shareholder during his meetings with the press. He said, however, that Renault has been undercapitalized for many years.

Besse also said that Renault should become profitable toward the end of next year and thus show a full-year profit in 1988.

"Three years is a short period of time to turn around a group like Renault," said Besse, who has been Renault's chief for 21 months.

"It took more than that at Chrysler and Fiat," he added.

In a separate move, Renault will sell its headquarters on the outskirts of Paris and lease it back.

The company expects to raise $275 million by selling the office complex in Boulogne Billancourt on the southwest edge of Paris and other nearby properties.

Money raised from the sale also could help fund construction of a proposed $135 million headquarters and tech center in the same area.

Chevrolet celebrates 75th birthday
Seventy-five years ago, famed race car driver Louis Chevrolet, above, developed his experimental car, and Chevrolet was formed on Nov. 3, 1911. The car went into production the following year. Three-quarters of a century and 110 million sales later, General Manger Robert Burger shows off a 1987 Camaro ragtop.

U.S. dealership count dips by 270 during model year

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

Losses by General Motors, Ford Motor Co. and American Motors-Renault trimmed 270 locations from the domestic dealership total during the 1986 model year, the Automotive News census discloses.

There were 20,444 dealerships handling domestic makes of passenger cars on Oct. 1, compared with 20,714 when the 1986 model year began 12 months earlier. The dip amounted to 1.30 percent.

Chrysler Motors Corp. was immune from the downturn, just as it was in the 1983-85 seasons. Chrysler's dealer total rose by seven during the 1986 campaign. Volkswagen was stable, showing a decline of two outlets.

GM took the biggest fall, down 155 establishments. Ford lost 60 and AMC had a drop of 59. A change of one outlet in the number

see DEALERSHIPS, page 45

GM slices back Saturn schedule

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Saturn Corp. executives finally broke their code of silence and revealed that Saturn will stretch out its $3.5 billion capital spending plan over a longer — and yet unspecified — period of time.

They also said the first phase of the plant will produce only 200,000 cars a year, instead of the originally planned 500,000, and will employ 3,000 people rather than 6,000.

In recent weeks, rumors surfaced that Saturn was scaling back its plans and facing major reductions in its original allocation. The rumors intensified in light of General Motors' $339 million operating loss in the third quarter, its announcement that it would close plants and its apparent acceleration of plans to cut its salaried work force.

At a press briefing last week to set the record straight, Saturn President Richard LeFauve said the original $3.5 billion allocated to Saturn remains intact, but the investment will be spread out over a longer period.

He said Saturn's goal is not to spend every cent of the $3.5 billion by the first day of production. A stretched-out spending plan gives Saturn a chance to produce cars and bring in revenue before spending the rest, he said.

"Our responsibility is to earn on our investment," LeFauve said. "Saturn is trying to minimize the investment and the number of people to accomplish the task.

"The way we're going to be successful is to do more with less," LeFauve added. "We may be criticized because our plant isn't going to be as big as we said it's going to be, but that's success for us."

One way in which the capital spending plan has been stretched

see SATURN, page 49

Toronado, Riviera get incentives

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors' "Big One" — the 2.9 percent finance-rate program — wasn't big enough to clean out all of its 1986 inventory.

Buick Motor Division told dealers on Oct. 24 that they will receive a cash incentive of $300 on the first 1986 Riviera they sell and $500 on each one after that — through the end of the year. Oldsmobile Division is offering an identical program on its 1986 Toronado models.

The dealers will receive the rebate in addition to the normal carryover allowance paid on old models after the new model year begins. It amounts to about 5 percent of the car's sticker price minus some factory charges.

Buick estimates its dealers have 4,000 unsold 1986 Rivieras. That represents about 18 percent of the Rivieras produced in the 1986 model year. Oldsmobile estimates its dealers have 1,200 unsold 1986 Toronados; 28,418 Toronados were produced during the year.

Sales of both fell sharply in the 1986 model year: Riviera 53 percent and Toronado 52 percent.

The new Detroit-Hamtramck plant, which produces Riviera, Toronado and Cadillac Seville and Eldorado, was plagued by production problems and has yet to reach full speed of 60 cars per hour.

GM blamed the production problems on a combination of a new facility, new product, new work force and advanced technology. The plant was shut down for an extended model changeover period.

Riviera and Toronado were converted to front-wheel drive in 1986 and traditional buyers were reluctant to purchase the downsized cars with higher sticker prices than the previous year's models.

Cadillac Motor Car Division said it has no incentive program on leftover 1986 Eldorado and Seville models because the 2.9 percent financing cleared out most of them. It said that as of Oct. 20, stocks of 1986 models included 1,908 Eldorados and 2,458 Sevilles.

Nissan: A long way from its roots

Second of two excerpts from "The Reckoning," copyright 1986 by David Halberstam.

By David Halberstam

It was 1978. Marvin Runyon had pretty much decided to take an early retirement from Ford. Aside from personal considerations — his wife was not happy in Detroit and he wanted to find a job in the South for her sake — he was frustrated by the difficulty of keeping up the plants and with the overall problem of trying to build a good car in America. He was also disturbed by the firing of Lee Iacocca and William Bourke, two of Ford's best product men. He found Philip Caldwell, Iacocca's successor, extremely hard to deal with. Caldwell, he thought, understood the rule book but not the true essence of Ford Motor Co.

Runyon was coming up on 55, which was a good demarcation point, for he could retire with considerable benefits. He began looking for work in the South and soon was considering offers from various supplier companies. As he neared his own appointed date for retirement, Nissan's officials, having decided to open a factory in America, were looking for an American to run it. They learned through headhunters that Runyon, then vice-president in charge of assembly plants, was thinking of leaving Ford and approached him. Runyon let them know he was interested, and newspapers soon reported that Nissan was talking to a high Ford executive. Runyon's superiors knew it was he, and they made their distaste for what he was doing — going over to the enemy at the height of the battle — quite apparent.

Runyon did decide to join Nissan, but he did not leave Ford after 38 years because he was offered a job by a Japanese competitor; he left because of accumulated frustrations and because he was angry over the firing of Iacocca and Bourke. He believed, furthermore, that he was taking a job in an *American* company, one that would provide Americans with jobs, even though its parent company happened to be in Japan.

see 'THE RECKONING,' page 30

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Range Rover names first U.S. dealers

At the opening of Range Rover of North America's headquarters are, from left: Rep. Steny H. Hoyer, D.-Md.; Prince Georges County Executive Parris Glendening; Princess Alexandra; and Charles Hughes, president of the company

LANHAM, Md. — Range Rover of North America Inc. opened its new headquarters here last week and announced the appointment of its first 11 dealers in the United States.

Charles R. Hughes, president of the company, said the opening culminated two years of planning. He said the decision to locate in Lanham was made after studying several East Coast sites.

The 20,000-square-foot facility houses the company's business offices and its service training and technical support personnel. Nearby is an off-road demonstration course.

Attending the opening were Princess Alexandra (first cousin of Queen Elizabeth II), British Ambassador Sir Anthony Acland and Maryland Lt. Gov. J. Joseph Curran.

J. Anthony Gilroy, managing director of Land Rover Ltd., the parent company and manufacturer of Range Rover in the United Kingdom, said he expects the United States to become an important market for the company, but would not predict annual sales volume other than the 3,000 vehicles the company has projected for the first year of operation.

Gilroy announced the first dealers for Range Rover of North America. They are:

Alfred E. Robinson, San Jose British Motors, San Jose, Calif.; Alexander Keeler, Keeler Motor Car Co., Latham, N.Y.; Martin L. Swig, San Francisco Auto Center, San Francisco; Wesley B. Lasher, Wes Lasher Inc., Sacramento, Calif.; Bernard F. Driscoll, Gengras Motor Cars, Hartford, Conn.; and Frank A. Miller, Miller Automobile Corp., Darien, Conn.

Also: Gerald L. Thomas, Thomas Cadillac Inc., Los Angeles; Terry C. York, Terry York Motor Cars Ltd., Encino, Calif.; Joseph T. Dockery, Prestige Motors Inc., Paramus, N.J.; John R. Capps, Plaza Motor Co., St. Louis; and William Gaby, Charles H. Hornburg Jr. Imported Motor Sales, Los Angeles.

The company intends to have 35 dealers nationwide by March 1987 and 65 by 1988.

Secret tapes liven case against six from Ford

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Trial of a suit brought by fired Ford Motor Co. engineering vice president Thomas J. Feaheny enters its sixth week today (Nov. 3). Feaheny will undergo more cross-examination by Jerome J. Shapiro, attorney for the six current and former Ford officers Feaheny is suing for some $130 million.

The jury has withstood a numbing drumfire of dates, names, titles, tables of organization, hundreds of pages of documents and hours of videotaped or lawyer-read depositions and low-quality tape recordings made surreptitiously by Feaheny.

The most dramatic evidence heard has been the secret tapes. They were offered by Feaheny's attorney, but the jury heard Feaheny making what some Ford executives thought were extortion or blackmail threats. He said he might testify for the opposition in Ford product-liability cases.

On Nov. 11, 1982, Feaheny met for lunch at Julio's in the Hyatt Regency in Dearborn with Herbert L. Misch, now retired but then vice president of Ford's environmental and safety engineering staff. That was a day after Feaheny had laid down demands covering his pending separation from the company.

He had said in that day-earlier meeting in Ford headquarters, when a mutually satisfactory separation still appeared possible, that he wanted $5 million in cash and might become an expert witness for anyone willing to pay $250 an hour and do some writing and public speaking.

A tape recording showed that Misch had expressed his astonishment at the situation then. The next day at Julio's he said (also on tape), "I'm a little bit at loose ends on it but, I've got to tell you — and maybe it's because I've got a little bit of a pea-brain and don't look at things as expansively as other people. And maybe I look too much to, and prize too much, the professional integrity and reputation that one should continue to strive for.

"But I think you've got to come up with something that doesn't look like blackmail to the company, that's all there is to it. You can say what you damn please, but the bottom line would be blackmail," Misch said.

Feaheny was vice president for vehicle research when he left Ford. He is trying to show that the defendants conspired to interfere with his employment relationship with Ford and to shorten his career. He was fired in 1983 shortly after bringing suit.

Defendants are Philip Caldwell, retired Ford chairman; Ford President Harold A. Poling; Louis R. Ross, executive vice president for Ford North American Automotive Operations; John McDougall, retired executive vice president for International Automotive Operations; Harold C. MacDonald, retired vice president for engineering and research; and Peter J. Sherry, retired vice president for personnel and organization.

In the tapes, Feaheny acknowledged that a $5 million lump sum paid to him might attract the attention of the Securities and Exchange Commission or stockholders.

He said the matter could be handled with personal checks from "certain executives, or, as far as I'm concerned, it's an out-of-court settlement on a personal injury suit not filed."

"For that matter, my mother and dad are deceased. The Ford family can adopt me and give me some Class B shares. I don't care," he said.

see FEAHENY, page 45

Rolls seeks a 'double' model year

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Rolls-Royce Motors Ltd. has asked NHTSA to change its definition of model years used during the phase-in period of the passive-restraint standard. The company wants more leadtime to install a driver's side air bag in its cars.

Rolls-Royce said it prefers air bags to passive belts but, because of the supplier situation, it needs more development time than its larger-volume competitors.

As a result, Rolls-Royce has asked NHTSA to combine the 1987 and 1988 model years and allow the company to install fewer passive restraints than mandated during the beginning of the period in return for exceeding the requirements by the end of the period.

The passive-restraint standard requires automakers to phase in passive systems — 10 percent for 1987 models, 25 percent for 1988 models, 40 percent for 1989 models and 100 percent for 1990 models, with model year designations beginning Sept. 1 and ending the following Aug. 31. The standard applies to both front-seat positions.

Compliance percentages are tallied at the end of the model year, so many makers have delayed the introduction of passive restraints. That also gives manufacturers like Rolls time to petition for changes to enable it to go to bags or comply within the current mandated time-frame using passive belts.

Rolls said that if NHTSA will change the model-year definition to run from Sept. 1, 1986, to Aug. 31, 1988 — in effect, combining the 1987 and 1988 model years — Rolls should be able to have the driver air bag fitted to "around 70 percent of the cars we market in America, well in excess of the 25 percent and 40 percent fitment requirements for the 1988 and 1989 production period specified" in the passive-restraint standard.

The company intends to use air bags on four-door sedans, but if not allowed flexibility on model years, it will use passive belts on only the minimum percentage required.

Rolls-Royce said the petition to combine model years was prompted by other changes NHTSA has made in the standard.

Among them was the granting of Ford's request in August 1985 to allow its Tempo-Topaz system, which is driver-side passive with an air bag and passenger-side active with a belt (essentially half passive and half active), to count toward the standard.

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Suzuki charts sales boom, maybe U.S. plant

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

Suzuki of America President Toshiyuki Arai dreams of building cars in the United States — and his vision may be focusing on one of several plants that General Motors plans to close.

Arai said plans that would turn his dream into reality have not yet been approved by parent Suzuki Motors Ltd., of Japan.

His ambitious five-year plan to top 300,000 sales annually by 1991 hasn't been cleared in Japan, either. But it appears to call for a U.S. assembly plant to supplement supply from a GM-Suzuki facility being built in Ingersoll, Ontario. GM owns 5.3 percent of Japan's Suzuki Motors.

"My dream is to build cars in the United States," Arai said last week in Detroit. Annual volume of 120,000 units must be assured before a U.S. facility would be practical, he said.

Arai would prefer an existing plant if the price is low, but he is prepared to go with a "clean-sheet plan" if necessary. He would consider one of up to six GM plants slated to be phased out — if the price is low enough.

That is partly because of GM's share in Suzuki and the Japanese small-car specialist's role as a supplier of the Chevrolet Sprint.

A GM spokesman said GM's long-standing policy is that manufacturers should build in the country they market in. "This is a positive position on Suzuki's part," the spokesman said.

U.S. production may appear premature for the Brea, Calif., company that entered the market 12 months ago with the $6,895 Samurai four-wheel-drive sport-utility vehicle.

But with a dealer network mostly in Western states, Suzuki of America sold 37,000 vehicles in the year ended Oct. 31, more than the more-publicized Yugo.

"We're right on track on developing our dealer network and well ahead of projections on sales," said Doug Mazza, vice president for sales and marketing.

Suzuki of America's five-year plan sets ambitious sales goals, fueled by new models.

Samurai sales are running at an annual rate of 50,000 and Suzuki expects to sell its supply of 76,000 for the 1988 model year, Mazza said.

The Ingersoll plant is due to open in July 1988, with expected first-year production of 200,000 1989 units — about 120,000 Sprint-sized cars and 80,000 small sport-utility units. The latter will have a wider track and longer wheelbase than the Samurai.

GM in Canada and the United States and Suzuki's Canadian and U.S. operations will split production, with Suzuki of America getting 17.5 percent of output, or 35,000 units. GM will get most of the cars, which will be 1989 replacements for the Chevy Sprint, but Suzuki of America will have a slightly different version to sell as its first car.

At the same time, Chevrolet will have its own version of the sport-utility vehicle, identical except for equipment. Suzuki is aiming at a price of just under $10,000 for its model.

The new models and continued imports of Samurai at the same level are projected to push 1989-model-year sales to 110,000, Mazza said.

For the 1990 model year, Suzuki expects to introduce its first exclusive model, a small car in two-door and four-door versions.

That will be followed in 1991 with a Suzuki-exclusive small sports car. It will be aimed at the segment "vacated by the upscaling of the Mazda RX-7," Mazza said.

Suzuki of America expects the two exclusives to push its sales to 250,000 for the 1990 model year and 305,000 for the 1991 model year.

Where the last two models will come from is uncertain, Mazza said. But between them, Suzuki is counting on a volume surge of almost 200,000 units.

Options include a U.S. plant, an increase in imports from Japan, expanded production or a bigger share of output in Canada or both and sourcing from Suzuki plants outside Japan.

Arai and Mazza said they hoped for relief from Japan's voluntary export quotas, but they said they share the opinion of industry analysts that such restrictions will not end or ease much in the near future.

Suzuki has small-volume, joint-venture assembly operations in several countries. All essentially assemble complete-knockdown kits, and the ability to export to the United States from those countries less expensively than from Japan is problematical.

The five-year plan has two constants.

"We will always stick to small, high-performance unique vehicles that fill niches where nobody else is," Arai said. That draws on the small-engine technology which Suzuki developed as a motorcycle manufacturer.

Second, Suzuki's plan depends on developing a dealer network that is closely regulated and profitable, Mazza said.

Suzuki dealers — in Georgia, Florida and nine Western states — are averaging 57 units a month, ahead of Suzuki's projected rate of 37 a month, Mazza said.

Thirty new dealerships opened in October in nine Eastern states. Chicago and nearby Midwest markets will have dealers by year's end, Mazza said. The five-year plan calls for 250 dealers by 1991 and 49-state representation by the end of 1987, Mazza said.

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Nissan Sentra 1987	Invoice + 700
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Nissan Pulsar 1986	Invoice + 200
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Toyota Celica	Invoice + 2000
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Ford dealers at other sites bid on cars in TV auction

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. recently tested a closed-circuit television system to auction used vehicles.

Ford broadcast a live auction held at Aptco Auto Auction, Taylor, Mich., to dealers in Milwaukee and Louisville.

Twenty-four dealers participated in the video auction which was held in conference rooms at Ford's Kentucky Truck Plant and at the district sales office in Milwaukee. About 85 dealers attended the live auction.

General Motors also has conducted experiments using electronic media to auction vehicles. In the GM experiments, dealers were provided with pictures of autos and made their bids through a computer network.

Claude Scoggins, Ford fleet sales disposal manager, said, "We were trying to see if we could conduct a live auction and have outlying dealers participate simultaneously."

He said the dealers in Milwaukee and Louisville received the audio and video broadcast of the live auction via satellite and relayed their bids to the auction by telephone.

Scoggins said, "There is a delay in the transmission of audio, so we tried to overcome that with telephone bids. We had a 'ring man' at the remote site transmit the bids by phone."

He said the auction was a success and dealers in the remote areas bought about 40 of the 200 cars auctioned in Taylor.

Television auctions could expand the services of the auction industry, Scoggins said. He said technology that would allow auction companies to broadcast to individual dealers is available. Dealers, he said, would not have to travel to buy top-quality cars.

He said, "We're testing this technology for Ford and Lincoln-Mercury dealers to see if it is possible. It is up to the auction companies to take it and run with it."

Dealers watched the auction on four monitors in each location. Vehicle condition was displayed on the monitors. Also, there was a cameraman on each side of the cars auctioned. In addition, the participants had data sheets explaining the condition of the cars.

Dealers must be convinced that cars in a television auction are in top condition, a Ford official said.

Scoggins said that all vehicles Ford auctions are reconditioned. The vehicles in the television auction were no older than two years.

Scoggins said the dealers participating in the television auction appeared enthusiastic, but that is something Ford must evaluate.

He said, "Do you get more enthusiastic watching the World Series on television or in person? This is something we have to look at."

Ford is planning another television auction. The next test will involve four to six locations with 25 to 50 dealers at each location, Scoggins said.

AUCTION DATES

American Motors

Nov. 4 — Aptco Auto Auction, Taylor, Mich., and D-A Auto Auction, New Stanton, Pa.

Nov. 5 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Nov. 6 — Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind.; and Northway Exchange Auto Auction, Clifton Park, N.Y.

Nov. 11 — High Point Auto Auction, High Point, N.C.

Ford Motor Co.

Nov. 5 — Concord Auto Auction, Acton, Mass., and Golden Gate Auto Auction, Fremont, Calif.

Nov. 6 — Atlanta Auto Auction, Red Oak, Ga.; Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

Chrysler Corp.

Nov. 4 — Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Nov. 5 — Columbus Fair Auto Auction, Obetz, Ohio; Southern Auto Auction, Warehouse Point, Conn.; Southwest Auto Auction, Phoenix, Ariz.; and South Seattle Auto Auction, Kent, Wash.

Nov. 6 — Fredericksburg Auto Auction, Fredericksburg, Va.

Nov. 7 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

General Motors

Nov. 4 — Dallas Auto Auction, Dallas

Nov. 5 — Hatfield Auto Auction, Hatfield, Pa., and Omaha Auto Auction, Omaha, Neb.

Nov. 6 — Aptco Auto Auction, Taylor, Mich., and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Nov. 11 — Denver Auto Auction, Englewood, Colo.; 166 Auto Auction, Springfield, Mo.; Florida Auto Auction of Orlando, Ocoee, Fla.; and South Seattle Auto Auction, Kent, Wash.

Used Car Sales
Auction Averages

October, 1986	$5,196
Month ago	$5,206
Year ago	$4,759

Model Breakdown
Auction Averages

	OCT 1986	SEP 1986	AUG 1986
1986	$11,574	$11,846	$12,136
1985	$8,414	$8,472	$8,520
1984	$6,215	$6,221	$6,242
1983	$5,442	$5,459	$5,502
1982	$4,216	$4,261	$4,337
1981	$3,277	$3,333	$3,388
1980	$2,424	$2,463	$2,505
1979	$2,088	$2,109	$2,145
Overall Average	$5,196	$5,206	$5,237

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Nissan eyes sales peak of 880,000

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

SAN DIEGO — Nissan Motor Corp. in U.S.A. is counting on new, restyled and redesigned products to boost 1987 sales despite a strong yen and a cooling U.S. market.

Nissan will post its best year ever in the 1987 model year with 880,000 sales — 610,000 cars and 270,000 light trucks, Senior Vice President C.P. King predicted.

In the 1986 model year, Nissan sold a record 561,000 cars and 220,000 trucks.

King forecast industry sales of 10.7 million cars and 4.3 million trucks for the 1987 model year. That total of 15 million would be down from 1986's 15.8 million.

Three models to be introduced late this year will expand Nissan's market representation into segments covering 66 percent of all car sales and half of light truck sales, King said.

They are a facelifted 300-ZX, an all-new Pulsar NX and Nissan's first van in December.

Pulsar: minus T-roof and removable hatch, it's almost a convertible

The new Pulsar NX will be an image leader. Like the new Hardbody truck, the Pathfinder van and the updated 300-ZX, the work originated in the Nissan Design Center in San Diego.

The new Pulsar is longer, wider and lower, but the biggest changes are in the back half of the car.

A 2+2 design intended to be used as a two-seater, the Pulsar has as standard equipment a steel T-roof and a contrasting-color rear hatch that is removable.

With the hatch off and roof panels out, the car functions like a convertible while retaining a steel roll cage.

Nissan will test-market a squared-off replacement hatch called the Sportbak next spring. Interchangeable with the standard Pulsar hatch, it looks and functions like a station wagon.

Tentative prices are $10,500 for the Pulsar XE and $11,500 for the SE package. Volume is projected at 60,000 a year, up from 48,000 for the old Pulsar.

The new van, based on the Japanese home-market Largo, is a virtual clone of the Toyota van. King projects 24,000 to 36,000 first-year sales.

Feds strengthen case in long DeLorean trial

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The government's case against former automaker John Z. DeLorean slowly but surely picked up steam last week.

After a shaky start the previous week, prosecution witnesses testified to point after point that seemed to support the government's case against DeLorean.

DeLorean, 61, is charged with 15 counts of fraud and racketeering relating to the disappearance of $17.65 million from his defunct sports-car project. He pleaded innocent to all charges.

The testimony was slow, often technical and sometimes tedious.

The week began with testimony from two FBI agents concerning the verification of DeLorean's handwriting on several key documents entered into evidence.

They were followed on the witness stand by Robert M. Dewey, former DMC chief financial officer. Dewey testified about the early fund-raising days of the DeLorean sport-car venture and particularly events surrounding the DeLorean Research Limited Partnership, which raised $12.5 million of the missing money.

After Dewey testified, the government played videotaped depositions of European witnesses. Three people — C. Shaun Harte, a former goverment official who later worked for the DeLorean Belfast company; Ronald Henderson, a former British government official; and Robin J. Bailie, a Belfast lawyer who represented the Belfast company and the government — testified that they knew nothing of the secret dealings of GPD Services Inc., the Swiss-based Panamanian company to which the missing money was paid.

Also testifying were three officials from Lotus. Chief Engineer Colin Spooner testified that much of the DMC development work performed by Lotus was not completed until 1980.

Company secretary Thomas Monk testified that he was directed to take a sealed envelope to DeLorean in New York and then carry a $4 million check to GPD in Geneva. Financial officer Warren King testified that of the $22 million Lotus was paid for the DeLorean work, only $137,000 came from GPD.

The only consistent point the defense managed to make on cross-examination was that the witnesses all believed the late Colin Chapman, Lotus and GPD were "one and the same."

However, Walter F. Strycker, former chief financial officer of DMC, testified on Friday that his only source of information about the Chapman-Lotus-GPD connection was "John DeLorean" and DMC general counsel Thomas Wando Kimmerly.

By week's end, the demeanor of defendant DeLorean and his attorneys changed. Midway through Thursday's session, defense attorney Juanita Brooks, unable to shake the tesimony of a government witness, began implying the government had acted improperly.

And during a Friday break, DeLorean loudly berated a reporter for his coverage of the trial. DeLorean told the reporter that the odds in Las Vegas are "five to one" that he'll be acquitted.

FEAHENY

FROM PAGE 3

Feaheny's lawyer, James F. Schouman, has said his client's remarks about wanting $5 million had been made in response to pressure.

Feaheny said, "It was not blackmail at all. There was no blackmail in it. It was compensation to me and my family for damages done to us."

Attorney Shapiro has attempted to show that what has been called Feaheny's abrasive quickness to criticize others, particularly his superiors, emerged as early as 1970 with a letter to then Ford President Lee A. Iacocca. Feaheny, however, has said his career began to unravel after defendant Ross arrived at NAAO in the fall of 1979.

One letter sought by the defendants during discovery was not in the 14 boxes of papers Feaheny said he took from his office at Ford when he was suspended after filing suit in mid-1983. He said he took those documents to his Bloomfield Hills, Mich., home in his wife's station wagon and soon had them stored in a Pontiac Township, Mich., locker owned by the Phoenix detective agency.

He called those papers "my personal documents in my view acquired as part of my work." Among them was a 76-page, 10-year product-cycle plan covering Ford North American Automotive Operations vehicles through the 1992 model year.

DEALERSHIPS

FROM PAGE 1

of intercorporate duals brought the industry's net falloff to 270.

It was the poorest showing since the 1982 model year when 1,267 dealerships faded away. That was the final year of the recession, and the situation was to improve considerably.

Only 80 domestic dealerships left the field in the 1983 model year, and the following season was indeed wondrous with a gain of 46. The 1985 model year resulted in a decline of 149 outlets; the latest dip of 270 was almost twice as severe.

All figures in this article and in the accompanying tables signify the net change in dealer totals, both for the individual corporations and car lines and for the domestic industry as a whole.

There was no overriding reason for the latest decline. Domestic sales held up pretty well. They topped eight million, although they were down about 4 percent from the 1985 model year. There was no monstrous rise in floorplan rates.

Import competition doubtless played a part, but that is mitigated somewhat by the fact that some 60 percent of domestic dealers also handle a foreign line.

Nevertheless, many dealers decided it was time to bail out.

Franchise totals rose for five of the 14 makes in the domestic census. Dodge, up 21, made the biggest advance, and there were lesser gains for Plymouth, Chrysler, Lincoln and Cadillac.

The two largest dealer organizations posted the largest losses. Chevrolet was down 90 for the 1986 model year, and Ford was off 67. Also reporting dips were AMC, Renault, Oldsmobile, Pontiac, Buick, Mercury and Volkswagen.

Chrysler Motors' gain of seven dealerships was its fourth consecutive model-year upswing. The company added 32 outlets in the 1985 model year, 164 in 1984 and 169 in 1983.

In addition to its 4,001 car dealerships, Chrysler Motors has three that handle only Dodge trucks. They are not included in the corporation's car dealership total or in the Dodge car franchise total.

Ford Motor's loss of 60 outlets compared with a dip of only three in the 1985 model year. Ford posted a gain of 80 in the 1984 season and showed no change in 1983.

Ford Motor has 112 dealerships that handle only Ford heavy-duty trucks. They are not included in the company's car dealer total of 5,471 or in the Ford Division car franchise total of 4,627.

GM's dip of 155 outlets was greater than its declines of 110 in the 1985 model year and 75 in 1984, but it was less than the drop of 170 in the 1983 campaign.

GM's car dealership total is 9,720. Adding in the GMC Truck outlets that do not handle any of the corporation's car lines, the count is 10,280.

The AMC-Renault dip of 59 outlets was about the same as the drop of 53 in the 1985 model year. About 90 percent of the 1,356 AMC-Renault outlets handle both lines. There are 719 AMC-Renault duals with Big Three makes.

VW's decline of two outlets was less than in recent model years. The drop was 19 in 1985, 14 in 1984 and 39 in 1983. VW has about 170 duals with AMC-Renault and Big Three makes.

In the third quarter of this year, the domestic dealer total showed a decline of 127 outlets. For the first nine months, the dip was 229.

U.S. CAR OUTLETS

	Oct. 1, 1986	Oct. 1, 1985
American Motors-Renault	1,356	1,415
Chrysler Corp.	4,001	3,994
Ford Motor Co.	5,471	5,531
General Motors	9,720	9,875
Volkswagen	875	877
TOTALS	21,423	21,692
Minus Intercorporate Duals	979	978
NET OUTLETS	20,444	20,714

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U.S. FRANCHISES

	Oct. 1, 1986	Oct. 1, 1985
AMC-RENAULT		
AMC	1,316	1,360
Renault	1,265	1,307
CHRYSLER CORP.		
Chrysler	3,046	3,037
Dodge	2,934	2,913
Plymouth	3,013	2,997
FORD MOTOR CO.		
Ford	4,627	4,694
Lincoln	1,614	1,598
Mercury	2,751	2,754
GENERAL MOTORS		
Buick	2,945	2,955
Cadillac	1,615	1,610
Chevrolet	4,985	5,075
Oldsmobile	3,175	3,200
Pontiac	2,985	3,000
VOLKSWAGEN	875	877

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OBITUARIES

S. Edmund Steeves

DETROIT — S. Edmund Steeves, 69, a former General Motors public relations executive, died Oct. 23 while visiting Lincoln, Neb. Mr. Steeves retired in 1976 as director of field operations for the GM public relations staff.

Robert Brenner

GAITHERSBURG, Md. — Robert Brenner, 64, an auto safety expert who helped establish and enforce federal safety standards for automobiles, died Oct. 24. Dr. Brenner was president of the Institute for Safety Analysis Inc., a research and consulting firm in Rockville, Md. From 1970 to 1973, he was the Department of Transportation's chief scientist. During the 1960s, he was acting director of the National Highway Safety Bureau, predecessor of NHTSA.

Fred J. Brenkman

MORTON, Ill. — Fred J. Brenkman, 59, president of Brenkman Oldsmobile-Cadillac Co., Pekin, Ill., and Brenkman Chrysler-Plymouth-Dodge, Morton, Ill., died Sept. 26.

George F. Parr Jr.

CORPUS CHRISTI, Texas — George F. Parr Jr., 65, founder of Parr Chrysler-Plymouth Inc. here, died Oct. 2.

James Stephen

DAYTONA BEACH, Fla. — James Stephen, 67, a retired Pontiac dealer, died Oct. 26. Mr. Stephen's dealerships were in Daytona Beach and Baltimore.

CORRECTIONS

A story in the Oct. 27 issue of Automotive News incorrectly said that Lloyd E. Reuss, General Motors executive vice president, told last summer's Automotive News World Congress that GM would close six assembly plants by 1990. In his speech, Reuss said GM would close three assembly plants by 1990.

Also in last week's issue, many of the optional gasoline engines for GM light trucks, included in the "U.S. 1987-model light-duty truck specs" table on Page E46 were listed as having carburetors.

For 1987, all GM light-truck engines in trucks up to 10,000 pounds GVW (all those listed) use electronic fuel injection. Also, listings for the Chevrolet/GMC R-10/1500 pickup truck and G-10/1500 van did not include the optional 5.7-liter (350-cid) V-8 gasoline engine.

In addition, the 4.8-liter (292-cid) engine listed as an option for the R-20/2500 pickup truck has been dropped.

In the Oct. 13 issue, imported-car sales figures for the 1986 model year under the Chrysler nameplates were incorrect.

The correct figures are: Dodge Conquest/Vista, 20,107; Plymouth Colt, 49,259; and Plymouth Conquest/Vista, 18,822.

The import total is 3,129,610 and the industry total is 11,188,428.

PRODUCTION

Car production continues to climb; week up 5.67%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled production of 175,483 cars last week, 5.67 percent more than the previous week's 166,069 and 1.53 percent more than the year-ago week's 172,835.

In each of the last two weeks, production has been the highest since the week ended June 28.

Last week's targeted production was shared as follows: General Motors, 53.73 percent; Ford Motor Co., 21.64 percent; Chrysler Motors, 15.33 percent; Honda of America Manufacturing Inc., 4.17 percent; New United Motor Manufacturing Inc., 2.34 percent; Nissan Motor Manufacturing Co., U.S.A., 1.65 percent; and Volkswagen of America, 1.14 percent.

American Motors' Kenosha, Wis., plant was idle last week for inventory adjustment. The plant is expected to resume output today (Nov. 3).

The number of indefinite layoffs at GM increased by 1,500 to 20,500. The layoffs affected several GM plants.

GM did not schedule overtime at any of its car plants last Saturday (Nov. 1).

Daily overtime is slated this week at all Ford plants except the Dearborn, Mich., and Lorain, Ohio, facilities.

Chrysler's Sterling Heights, Mich., plant was scheduled for overtime last Saturday. Daily overtime is slated this week at five Chrysler plants. They are: Belvidere, Ill.; Detroit (Jefferson Avenue); Newark, Del.; St. Louis (No. 2); and Sterling Heights, Mich.

Truck output jumps 10%

Domestic truck production totaled 69,952 units last week, 10 percent more than the previous week's 63,591 and slightly (0.5 percent) above the year-ago week's 69,602.

Ford Motor Co.'s Norfolk, Va., and Twin Cities, Minn., plants were to resume production today (Nov. 3). Both plants had been idle since Oct. 20 for model changeover.

General Motors slated Saturday (Nov. 1) overtime at its Flint, Mich. (No. 1), and Baltimore plants.

Saturday overtime was scheduled at Ford's Louisville, Ky., plant. That plant and Ford's Lorain, Ohio, and St. Louis plants are slated for daily overtime this week.

Chrysler Motors' Warren, Mich., plant was scheduled for overtime Saturday. Warren is also slated for daily overtime this week.

Canadian output up 1.8%

Last week's targeted Canadian auto production of 25,700 was 1.84 percent more than the previous week's 25,235 and 4.59 percent more than the year-ago week's 24,573.

So far this year, 875,831 cars have been assembled, 1.56 percent below the 889,694 completed last year at this point.

Truckmakers scheduled production of 10,634 units last week, 5.96 percent below the previous week's 11,308. Downtime at Ford's Ontario truck plant in Oakville reduced production each week; the plant is scheduled to resume work today (Nov. 3).

Last week's output was 40.31 percent below the year-ago week's 17,814.

Year-to-date, 675,578 trucks have been built, 3.27 percent below the 698,436 assembled last year at this time.

CANADIAN CAR	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
AMERICAN MOTORS	150	369	124	550	9,745	3,591
FORD MOTOR	11,645	10,240	11,219	47,265	409,681	437,408
GENERAL MOTORS	13,680	13,739	13,667	59,279	461,945	426,492
VOLVO	225	225	225	990	8,323	8,340
Total Cars, Canada	25,700	24,573	25,235	108,084	889,694	875,831

U.S. TRUCK☆	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
CHEVROLET	24,263	18,204	23,166	107,848	988,505	998,805
DODGE	5,500	4,606	4,934	24,161	176,195	110,431
FORD	22,225	28,310	17,886	106,279	1,000,114	1,164,725
GMC	7,919	6,858	7,781	35,306	302,156	304,043
NAVISTAR	1,615	1,482	1,409	7,227	62,843	60,514
JEEP	4,350	5,593	4,332	20,236	191,284	158,462
NISSAN	1,730	2,499	1,733	7,877	91,888	94,412
AM GENERAL*	50	50	50	230	2,130	2,124
MISCELLANEOUS*	2,300	2,000	2,300	10,580	78,953	96,692
Total Trucks, U.S.	69,952	69,602	63,591	319,744	2,894,068	2,990,208

CANADIAN TRUCK	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
AMERICAN MOTORS	650	0	694	2,928	0	23,890
CHRYSLER	8,952	7,889	8,949	37,555	320,265	335,309
FORD	0	3,562	0	7,653	135,381	127,789
GENERAL MOTORS	832	6,162	1,469	4,710	233,298	180,713
NAVISTAR	200	201	196	877	9,492	7,877
Total Trucks, Canada	10,634	17,814	11,308	53,723	698,436	675,578
N. American Trucks	80,586	87,416	74,899	373,467	3,592,504	3,665,786

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
AMERICAN MOTORS	0	2,584	1,500	3,867	95,685	43,842
Renault Total	0	2,584	1,500	3,867	95,685	43,842
Alliance	0	1,848	1,500	3,867	61,862	40,495
Encore	0	736	0	0	33,823	3,347
CHRYSLER MOTORS	26,900	25,353	27,345	122,646	1,051,582	1,106,513
Plymouth Total	9,400	7,040	9,568	44,349	304,714	350,098
Horizon	3,900	2,532	3,971	17,554	116,783	145,409
Sundance	2,100	0	1,924	7,518	0	21,140
Reliant	2,200	3,256	2,340	12,748	134,831	129,400
Caravelle	700	926	724	4,019	39,234	37,521
Gran Fury	500	326	609	2,510	13,866	16,628
Chrysler Total	6,500	8,996	6,559	30,055	342,097	329,468
Laser	0	997	0	0	43,456	26,978
LeBaron	1,300	2,245	1,045	5,135	75,287	73,771
LeBaron GTS	800	2,427	759	4,263	80,041	55,129
New Yorker/E-Class	1,200	1,115	1,274	5,782	53,666	61,445
Fifth Avenue	3,200	2,212	3,481	14,875	92,647	112,145
Dodge Total	11,000	9,317	11,218	48,242	400,771	426,947
Daytona	0	1,010	0	0	39,226	30,343
Omni	3,000	2,414	3,492	15,124	113,113	137,939
Shadow	2,000	0	1,883	7,499	0	19,921
Aries	3,800	2,209	3,344	14,714	112,115	105,486
Dodge 600	1,000	1,564	1,239	4,469	54,095	56,135
Lancer	600	1,585	597	3,192	54,891	41,979
Diplomat	600	535	663	3,245	28,331	35,144
FORD MOTOR	37,977	35,590	36,638	156,552	1,384,804	1,465,370
Ford Division	25,773	24,861	26,549	108,909	930,333	1,007,917
Escort	8,816	7,842	9,773	38,678	285,420	317,282
EXP	0	0	0	0	3,838	0
Mustang	2,431	4,191	1,818	5,697	154,224	150,076
Tempo	4,118	4,585	4,190	18,738	155,795	164,548
LTD	0	4,381	0	0	177,332	0
Taurus	7,756	507	8,772	39,784	1,443	265,528
Thunderbird	2,651	3,355	1,996	6,013	145,159	110,483
Crown Victoria	0	0	0	0	7,122	0
L-M Division	12,204	10,729	10,089	47,642	454,471	457,453
Mercury Total	8,151	7,039	5,376	27,673	319,056	307,169
Lynx	634	1,445	953	3,896	60,774	50,869
Capri	0	380	0	0	15,925	12,344
Topaz	1,339	1,241	1,314	5,922	47,492	48,852
Cougar	3,516	2,671	0	3,516	106,596	90,467
Marquis	0	969	0	0	82,364	0
Sable	2,662	333	3,109	14,339	1,170	104,637
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,053	3,690	4,713	19,969	135,415	150,284
Continental	406	515	473	1,998	21,407	16,380
Lincoln	3,041	2,768	3,532	14,974	99,039	112,716
Mark VII	606	407	708	2,997	14,969	21,208
GENERAL MOTORS	94,292	101,110	84,396	385,428	4,075,759	3,487,353
Buick Total	18,832	21,226	12,688	70,113	849,415	648,555
Skyhawk	1,860	2,113	1,724	8,267	89,025	71,252
Century	3,870	7,909	3,607	15,846	242,673	189,352
Regal	1,893	2,672	1,722	4,667	115,712	50,318
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	2,312	2,659	2,211	10,492	105,538	92,857
LeSabre (fwd)	5,113	847	0	17,757	3,411	132,391
LeSabre/Electra(rwd)	334	861	329	1,430	93,362	12,842
Electra(fwd)	2,426	3,955	2,411	9,178	112,600	77,713
Riviera	1,024	210	684	2,478	46,141	21,830
Cadillac Total	6,810	5,700	6,238	27,386	278,655	266,719
Cimarron	385	635	0	987	22,180	19,704
Cadillac (rwd)	1,200	835	1,205	5,264	33,630	66,857
DeVille (fwd)	4,015	3,820	3,760	17,248	144,371	140,986
Eldorado	730	231	690	2,179	51,300	20,539
Seville	480	179	583	1,708	27,174	18,633
Chevrolet Total	33,873	33,084	29,210	133,322	1,368,932	1,100,532
Chevette	2,671	2,939	2,421	11,593	133,698	86,760
Camaro	3,325	5,040	3,282	15,131	177,963	150,516
Cavalier	9,493	9,223	5,514	34,394	415,357	335,545
Celebrity	8,465	4,258	8,482	33,445	223,443	216,003
Citation	0	0	0	0	28,699	0
Corsica/Beretta	1,008	0	943	3,506	0	4,244
Monte Carlo	2,670	2,683	2,358	7,726	118,105	95,491
Chevrolet	5,601	7,939	5,559	24,600	230,647	187,927
Corvette	640	1,002	651	2,926	38,895	24,146
Oldsmobile Total	16,960	23,010	16,990	69,168	996,708	807,295
Firenza	1,000	1,196	1,091	4,694	52,874	33,278
Calais	2,715	3,197	2,890	12,362	126,333	100,199
Cutlass Ciera	4,137	7,456	4,140	18,200	299,620	202,578
Cutlass Supreme	1,627	5,560	1,539	5,175	197,859	97,102
88 (fwd)	3,324	1,765	3,353	12,537	6,977	246,050
88 (rwd)	480	650	480	2,057	163,680	16,293
Olds 98	3,077	3,037	3,001	12,498	121,546	96,242
Toronado	600	149	496	1,644	27,819	15,553
Pontiac Total	17,817	18,090	19,270	85,439	582,049	664,152
Acadian**	0	883	598	1,536	12,442	13,797
Fiero	1,760	2,441	1,778	8,048	98,654	58,064
1000	649	1,445	932	3,808	27,598	16,658
Firebird	2,125	2,523	2,180	9,675	94,747	91,271
2000 Sunbird	2,224	2,791	1,864	10,553	119,027	114,995
Grand Am	5,066	3,738	5,680	26,621	113,696	192,324
6000	2,668	1,499	2,789	11,106	45,184	113,048
Bonneville	3,000	0	3,022	12,691	0	16,393
Parisienne	325	2,770	427	1,401	70,701	47,602
HONDA	7,315	2,710	7,061	30,385	122,137	186,686
Civic	1,755	0	1,546	6,662	0	9,246
Accord	5,560	2,710	5,515	23,722	122,137	177,440
NISSAN	2,899	1,520	2,914	12,533	30,461	42,047
NUMMI	4,100	1,900	4,219	16,119	44,839	164,007
Corolla	1,100	0	1,145	2,531	0	2,465
Nova*	3,000	1,900	3,074	13,588	44,839	161,542
VOLKSWAGEN	2,000	2,068	1,996	9,068	79,945	70,496
Golf/GTI	2,000	2,068	1,996	9,068	79,945	70,496
Total Cars, U.S.	175,483	172,835	166,069	736,548	6,885,212	8,566,314
Total Cars, Canada	25,700	24,573	25,235	108,084	889,694	875,831
N. American Cars	201,183	197,408	191,304	844,732	7,774,906	7,442,145
N. American Trucks	80,586	87,416	74,899	373,467	3,592,504	3,665,788
North American Cars and Trucks	281,769	284,824	266,203	1,218,199	11,367,410	11,107,931

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Parts talks with Japan resume; U.S. is hopeful

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — "Cautious optimism" is the phrase being used to describe the present state of U.S.-Japanese auto parts trade negotiations.

Concluding two days of meetings here with Japanese trade officials, Commerce Department spokesmen and U.S. industry officials used the same inscrutable language in characterizing the sessions.

The meetings, called MOSS (Market Oriented Sector Specific) talks, were instituted by the Reagan administration as a means of settling industry-by-industry trade disputes with the Japanese government.

The administration is seeking commitments from the Japanese to increase purchases of U.S. auto parts for use on vehicles both here and abroad. Since the Japanese ended most formal restrictions on auto parts imports in 1980, the negotiations have tended to focus on loosening the tight manufacturer-supplier relationships between Japanese automakers and parts makers.

Deviating from the official script, one negotiating team member said of the Japanese, "They didn't give a lot. They are tough negotiators."

The Washington session will be followed by a third series of meetings in Tokyo on Dec. 8. The negotiations, which may consist of as many as eight meetings, are expected to be completed by early September. The first meeting was held in Tokyo in August.

The Automotive Parts and Accessories Association said U.S. parts exports to Japan totaled $191 million in 1985, compared with Japanese shipments to the United States of $5.2 billion, including shipments to U.S. Foreign Trade Zones. That resulted in a U.S. trade deficit of $5 billion, APAA said.

Taurus, Sable in Ford recall

DEARBORN, Mich. — Ford Motor Co. is recalling 1,230 1987-model Ford Taurus and Mercury Sable models due to faulty steering and rear suspension components.

Ford said it is recalling 600 of those cars to inspect and replace, if necessary, a part of the intermediate steering shaft assembly that connects the steering column to the steering gear. The company suspects three Taurus-Sable units have a faulty steering column part that could cause separation of the steering shaft, resulting in loss of control without warning.

Ford also is recalling 630 Taurus and Sable models because of what it called a poorly made rear suspension part.

A company spokesman said 344 rear suspension components had been "inadequately strengthened" and could break under heavy force, causing a loss of control.

The two actions bring to seven the number of recalls on Taurus and Sable models.

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GM will close 11 plants by '90, save $500 million

Cutbacks to cost 29,000 jobs

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

General Motors said last week that it will close six assembly plants and five metal fabricating plants during the next three years, eliminating about 29,000 jobs.

The 29,000 jobs represent 5.7 percent of GM's 512,000 U.S. hourly and salaried employees. GM said the 11 plant closings will cut its annual fixed costs by $500 million.

GM also confirmed it will lay off 1,300 hourly workers at its Buick City plant in Flint, Mich., because of slow Buick LeSabre sales. The plant will cut production from 75 units per hour on two shifts to 60 units per hour on two shifts beginning Nov. 24. The plant employs 6,100 hourly and salaried workers.

In making the announcement of plant closings, GM Chairman Roger B. Smith and President F. James McDonald called the closings "absolutely necessary." They said GM's plan has been to build new plants and modernize old ones with the idea that obsolete plants would be closed.

Smith and McDonald suggested that more plants could be closed in the future. They did not elaborate.

Some of the 29,000 people affected will be eligible for a job bank or extended benefits. Some will have transfer rights to other GM plants, but GM could not say how many.

The closings, which come during a time of decent car sales and a relatively good economic climate, could affect national negotiations with the UAW next summer, when job security is expected to top the union's list of concerns. Smith, however, said the closings would provide workers with better job security because the remaining jobs would be more secure.

UAW Vice President Donald F.

see PLANTS, page 66

A TIME OF TURMOIL AT GM

Plant closings
11 assembly and component plants; 29,000 jobs eliminated

Saturn
Initial production and employment cut back

Product programs
GM80 program dropped
Car body platforms to be merged
Automation cut for future car programs

Restructuring
Fisher Guide operations; plants could close
Car divisions' field organizations
GM Service Parts Operations; six centers to be closed
Heavy trucks in joint venture with Volvo
Bus operations for sale
GM, Deere & Co. form joint venture to produce diesel engines

Employment
White-collar employment to be cut 25 percent by 1989
Rochester Products eliminates 1,150 jobs
Hughes Aircraft cuts 4,100 salaried jobs

Overseas
South African subsidiary sold
GM-Holden's in Australia restructured
Bedford drops larger trucks; 1,450 jobs eliminated

Analysts say GM must do more to end its troubles

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

For the past year, Wall Street and the automotive industry have waited for General Motors to detail its plan for bringing costs under control and getting competitive.

But industry watchers figure they will have to wait some more for a detailed, cohesive plan, even though GM has revealed some cost-cutting moves in bits and pieces during the past year.

The most dramatic piece so far came last week, when GM announced its biggest cost-cutting move to date — the closing of six assembly plants and five component plants within three years, eliminating 29,000 jobs.

News Analysis

GM also has said in the past year that it will cut its white-collar ranks 25 percent by 1989.

And the company has confirmed in recent weeks that its Saturn program will be phased in over a longer — as yet unspecified — time period. The initial investment will be half the $3.5 billion originally planned. Initial production will be 200,000 units annually, not 500,000. And initial employment will be 3,000, not 6,000.

In the past year, GM also dropped its GM80 project, the plastic-bodied replacement for the Chevrolet Camaro and Pontiac Firebird, and scaled back — or at least stretched out — GM10, its mid-size car program. Future car programs will merge platforms to reduce the number of models offered and to cut manufacturing costs.

GM spun off its heavy-truck operations into a joint venture with Volvo and combined its diesel engine operations with Deere & Co.

Overseas, GM sold off its South African subsidiary, restructured GM-Holden's in Australia and eliminated large-truck production in its Bedford Division in the United Kingdom.

see GM, page 65

GOP losses could affect trade, taxes

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Last week's congressional elections put Democrats in the legislative driver's seat for the next two years at least. Tax and trade issues figure prominently on their road map.

Gone will be the Republican Senate that helped President Reagan put a rein on gov[illegible]ment regulation of the auto industry. In power will be Democrats who are talking tough on trade and are determined to reduce the federal budget deficit, perhaps by raising taxes.

President Reagan's ability to fend off legislation unacceptable to the GOP is not to be underestimated, however. Armed with personal popularity and a veto pen, the Republican president remains a formidable opponent.

The Democrats will have a 55-45 majority in the Senate and a 79-seat margin in the House, giving them cont[illegible]l of all House and Senate committee chairmanships.

In Republican hands the last six years, the Senate committees have defeated numerous proposals from the Democratic House that were opposed by most of the auto industry, including various trade, safety, emission and tax proposals.

Outgoing Senate Majority Leader Robert Dole, R-Kan., said after the election that Republicans will work with the Democrats on trade legislation next year and that they might want to "revisit" the tax code. Dole will likely be replaced as majority leader by Sen. Robert Byrd, D-W.Va.

UAW President Owen Bieber hailed the Democratic victory in the Senate. "People know that Reagan's huge twin trade and budget deficits spell economic trouble ahead," he said.

". . . Democratic control of the U.S. Senate greatly improves the prospects for decisive policies to deal with the alarming trade deficit, which has destroyed so many good jobs and blighted so many American communities."

The National Automobile Dealers Association and the American International Automobile Dealers Association were not as well disposed toward the change of command in the Senate.

"The words of Sen. Robert Byrd on the occasion of his victory statement were enough to make every

see ELECTIONS, page 68

Fiat to buy Alfa; Ford bid spurned

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Ford Motor Co. walked into another political buzzsaw when it tried unsuccessfully to gain control of Italian carmaker Alfa Romeo.

Italy's Fiat marshalled government support and mobilized Italian public opinion, and last week it won state-controlled Alfa with a competing bid that was backed by two independent consulting firms.

The resulting new company, which combines Alfa Romeo with Fiat's upscale Lancia unit, plans to become a major executive-class

see ALFA, page 65

ANDREW TANK

Volkwagen Santana, assembled in China by Shanghai Volkswagen Automotive Co., at the entrance to Beijing

The battle begins for untapped China

By Andrew Tank
STAFF CORRESPONDENT

BEIJING — China, the world's largest unexploited auto market, is emerging as a major battleground for multinational automakers. Surprisingly, Japanese firms have lost the early stages of the contest.

Round 1 was a decisive victory for the Europeans. West Germany's Volkswagen won the major contract for making sedans, while important deals for making commercial vehicles have been won by Italy's Iveco, Austria's Steyr, Britain's Aveling Barford and France's Peugeot and Renault.

West Germany's Daimler-Benz is assembling a few Mercedes luxury cars in China and is eagerly pursuing various truck-making possibilities.

Round 2 was won by the Americans after a tough fight. American Motors received high-level backing to assure the viability of its joint venture making Jeeps in China. General Motors scored an early success with its Detroit Diesel Allison subsidiary and hopes for another major deal by the end of this year.

see CHINA, page 46

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Trials continue for DeLorean, Feaheny Page 6
Car sales rise in October Pages 40-41

Domestic car supply bloats after incentives

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Stocks of new domestic cars in October rose dramatically as the Big Three auto manufacturers dropped incentives in the early part of the month.

On Nov. 1, the days' supply was 60, up from 35 days on Oct. 1.

The ideal days' supply is generally considered to be 60 days.

As November opened, there were 1,412,637 new domestic cars in inventory at assembly plants and dealerships and in transit to dealerships. On Oct. 1, 1,291,280 were stockpiled.

Inventory at all domestic manufacturers except Honda climbed during October.

General Motors had a 68-day supply on Nov. 1, up from 36 days a month earlier; Ford stocks climbed to 56 days from 34; and Chrysler Motors stocks rose to 54 days from 35 days.

Volkswagen had an estimated 93-day supply on Nov. 1, up from 64 days. Nissan stock climbed to 46 days from 28 days. Honda stock remained at 11 days on Nov. 1, the same as one month earlier.

Companies shared the Nov. 1 inventory as follows: General Motors, 58.38 percent; Ford Motor Co., 22.83 percent; Chrysler Motors, 14.54 percent; American Motors, 1.36 percent; Volkswagen, 1.30 percent; Honda, 0.79 percent; and Nissan, 0.80 percent.

A month earlier, shares had been: GM, 57.28 percent; Ford, 23.19 percent; Chrysler, 15.31 percent; American Motors, 1.80 percent; Volkswagen, 1.22 percent; Honda, 0.76 percent; and Nissan, 0.44 percent.

Shares by market class on Nov. 1 were: Intermediate, 33.78 percent; compact, 22.16 percent; subcompact, 19.01 percent; standard; 13.41; and luxury, 11.64.

Shares on Oct. 1 were: Intermediate, 32.87 percent; compact, 21.65 percent; subcompact, 18.14 percent; standard, 15.27 percent; and luxury 12.07 percent.

DOMESTIC DAYS' SUPPLIES

	Nov. 1, 1986	Oct. 1, 1986	Nov. 1, 1985
Alliance	74	56	101
Encore	65	48	141
Total Renault	72	54	113
Eagle	58	38	103
Total AMC	58	38	103
AMERICAN MOTORS	69	53	112
Horizon	49	30	54
Sundance	65	56	0
Turismo	71	30	69
Reliant	55	43	42
Caravelle	40	30	39
Plymouth	80	40	72
Total Plymouth	56	37	48
Laser	69	53	85
LeBaron K	33	21	54
LeBaron GTS	47	37	88
Cordoba	0	0	0
Fifth Avenue	67	35	20
E-Class	0	0	0
New Yorker	49	32	67
Total Chrysler	52	33	50
Omni	48	32	64
Shadow	64	60	0
Charger	55	27	69
Daytona	49	32	73
Aries	65	41	46
Lancer	54	42	90
Dodge 400-600	0	0	0
Diplomat	53	40	58
Mirada	0	0	0
Dodge 600	44	30	59
Total Dodge	55	36	61
CHRYSLER MOTORS	54	35	53
EXP	0	0	96
Escort	58	24	40
Mustang	48	28	61
Tempo	62	34	49
Taurus	59	62	0
Thunderbird	68	21	83
LTD	0	0	75
Crown Victoria	68	59	61
Total Ford Division	60	34	56
Lynx	60	27	45
Topaz	67	45	51
Sable	54	48	0
Cougar XR-7	30	12	77
Capri	69	28	114
Marquis	0	0	68
Grand Marquis	51	42	55
Total Mercury	54	31	61
Continental	46	49	66
Lincoln	38	39	41
Mark VII	64	50	55
Total Lincoln	42	42	46
Total L-M Division	49	34	57
FORD MOTOR CO.	56	34	56
Skyhawk	69	44	85
Skylark	0	0	56
Somerset Regal	73	47	111
Century	34	35	71
Regal	57	51	109
LeSabre	82	72	77
Electra	57	54	109
Riviera	60	39	47
Total Buick	58	48	87
Cimarron	71	29	92
Seville	61	38	73
Cadillac	63	33	71
Eldorado	59	27	53
Total Cadillac	63	33	69
Chevette	76	63	60
Nova	87	15	112
Cavalier	97	40	87
Citation	0	0	84
Camaro	106	50	73
Celebrity	66	27	57
Corsica/Beretta	24	0	0
Monte Carlo	85	38	75
Chevrolet	81	50	93
Corvette	84	62	96
Total Chevrolet	82	35	77
Firenza	107	40	101
Omega	0	0	0
Calais	77	34	65
Cutlass Ciera	40	23	52
Cutlass Supreme	71	32	70
Olds 88	57	25	72
Olds 98	76	47	71
Toronado	66	34	50
Total Oldsmobile	59	28	65
Fiero	129	50	102
1000	141	51	70
Sunbird	106	57	71
Phoenix	0	0	0
Firebird	97	44	57
Grand Am	43	36	32
6000	48	21	56
Bonn./Gr. Prix	85	0	87
Parisienne/Bonn.	82	44	96
Parisienne	0	47	107
Total Pontiac	70	36	65
GENERAL MOTORS	68	36	73
VOLKSWAGEN	93	64	72
HONDA	11	11	7
NISSAN	45	28	15
DOMESTIC TOTAL	60	35	65
Subcompact	55	29	56
Compact	74	39	65
Intermediate	55	32	67
Standard	68	42	77
Luxury	59	39	60

Chrysler to buy part of AMC? Both deny it

Newspaper story hinted at linkup

Officials of Chrysler Corp., American Motors and Renault denied a report last week indicating that Chrysler was interested in buying a major portion of AMC.

The Detroit Free Press quoted unnamed officials close to Chrysler and AMC as saying Chrysler was "considering asking" its board of directors last week for approval to discuss a buy-out with executives at AMC.

The story said Chrysler was eyeing AMC's lucrative Jeep product line, as well as assembly plants in Toledo, Ohio, and Kenosha, Wis.

The Detroit News said Chrysler and AMC could announce a major linkup soon in which Renault would play a key role.

All three companies downplayed the reports.

"Ever since we announced the reorganization, we've been getting questions about acquisitions," said John Guiniven, a Chrysler spokesman. "We won't comment either pro or con on any speculation about acquisitions in order to not mislead the public."

Chrysler had a board meeting in New York last week and has another scheduled for Dec. 4, but Guiniven said he was not aware of any proposal concerning AMC on the agenda for either meeting.

In a statement, AMC said:

"American Motors has had no discussions with Chrysler regarding the sale of any company assets."

Financial analysts who attended a routine AMC briefing in New York last week said the automaker denied any of its holdings were up for sale.

French carmaker Renault, which owns a controlling 46 percent interest in AMC, also denied the report.

"We're not surprised by the story," a Renault spokesman said. "The Free Press has sold AMC a half-dozen times."

The day of the report, AMC stock rose 10 percent to $3.625 a share.

Such rumors are flourishing in part because of the Chrysler-AMC talks concerning possible Omni-Horizon production at Kenosha. AMC already has agreed to build rear-drive standard-size cars for Chrysler at Kenosha.

But a Chrysler-AMC linkup also is a frequent conversation topic because such a marriage appears to make sense for both firms.

Chrysler needs plant capacity, while AMC has no definite plans for its Kenosha facility beyond 1989 and still has not decided whether to continue operations at its Toledo plant.

"For Chrysler it would be a bargain," said one source. "Chrysler would be buying capacity at a dollar amount it couldn't duplicate anywhere else."

Chrysler's immediate goal is to find a home for its Omni-Horizon, still selling well but set for phaseout at its Belvidere, Ill., plant in March.

"Chrysler is definitely looking for another plant," said Philip Fricke, an auto analyst with Goldman Sachs. "It will have nine weeks or so of Omni-Horizon production plus whatever they've got in inventory to begin the year with — and that's it.

"And until the Diamond-Star (joint venture with Mitsubishi Motors in Illinois) comes on stream, Chrysler doesn't have anything to offer in that market."

One analyst said Chrysler would be able to take better advantage of AMC's capacity if it bought a small equity in AMC. Such a deal also would help AMC's cash flow.

"The only way to look at it positively is if Chrysler were to take an equity interest in AMC, enabling them to utilize a more flexible amount of AMC capacity," said Doug Laughlin, an auto analyst with Dean Witter Reynolds. "Doing it piecemeal isn't flexible enough."

Chrysler also covets AMC's Jeep operations.

"Jeeps would complement our line of trucks," said a Chrysler insider. "They are pretty much in the mid-size range and the only conflict right now would be with our new Dakota pickup."

At least one AMC dealer was in favor of a Chrysler buy-out.

"It would give us more stability and better credibility," said Joseph Ricci, a Detroit-area AMC dealer.

New incidents lead to call for halt in Audi 5000 sales

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The New York attorney general's office has asked Audi of America to stop selling the Audi 5000 equipped with automatic transmissions in the state.

The action followed two more reports of unintended acceleration, this time in cars equipped with the transmission interlock designed by Audi to stop the problem.

A spokesperson for Attorney General Robert Abrams said the request was made last week after investigators from his office and NHTSA, as well as investigators and attorneys from Audi, analyzed the accidents.

The attorney general's office asked Audi to halt the sale of the model until a NHTSA investigation is completed in December. It also asked Audi to warn the public that unintended acceleration can occur even with the interlock device installed.

The latest incidents came after the company issued a voluntary recall for more than 200,000 vehicles, from the 1978 model year to the present, to fix the problem.

In March, Abrams and the Washington, D.C.-based interest group Center for Auto Safety called for a full NHTSA investigation of the Audi 5000 equipped with the automatic transmission.

Last week, the center sent a letter to NHTSA Administrator Diane Steed which said that its files show that the 1978- through 1986-model Audi 5000s "now account for 750 accidents, 250 injuries and six deaths."

"This year alone, nearly 200 accidents, over 100 injuries and three deaths have occurred in runaway Audi 5000s, including 40 accidents" since the formal NHTSA investigation was announced on Aug. 15, the center said.

An Audi of America spokesman said the company is investigating the situation. He said that Audi has not yet been able to determine whether a halt in sales is justified and that such a decision could not be made on the basis of the two latest accidents.

NHTSA: 1978- through 1986-model Audi 5000s "now account for 750 accidents, 250 injuries and six deaths."

In one of them, he said, the events did not fit the pattern of unintended acceleration. He said Audi has not had a chance to examine the car in the other incident.

The first accident occurred on Oct. 30, two days after the interlock device was installed on the car.

Automotive News was unable to confirm the details of either accident. But in the first, the driver, Steven Hornick, apparently shifted the car into drive and the car lurched forward, hitting another vehicle. Hornick, in a letter to the Center for Auto Safety, said his foot was on the brake at the time.

The second accident occurred a day later in East Hampton. Mrs. Joel Appel's Audi 5000 accelerated suddenly when shifted into drive, hitting another vehicle.

The spokesperson for the attorney general confirmed that the interlock was working in the Hornick instance and said the second accident remained under investigation.

The Audi spokesman said Hornick apparently selected the wrong gear.

The interlock device installed by Audi requires drivers to have a foot on the brake before the car can be shifted into drive from either park or reverse.

In the letter to NHTSA, Dan Howell, a member of the Center for Auto Safety's staff, called on NHTSA to "stop dragging its feet" and complete the investigation and recall the Audi 5000s.

Audi has maintained throughout the rash of reports that it has found nothing mechanically or technically wrong with the vehicles and that driver error seems to be the cause of most of the incidents.

NHTSA would confirm only that it sent its investigators to study the accidents.

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Starline's 1987 van conversion line
Starline RV Co., Albion, Ind., expanded its 1987 van conversions to five packages. Shown is its top-line Select Series package with oak trim, premium door panels, velvet seating and Sony stero.

RV shipments up for month, year

Van conversions take nearly half of total

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Van conversions continue to fuel the RV industry and now account for nearly half of all RV shipments.

RV manufacturers wholesaled 28,800 units in August, up 4.7 percent from a year earlier, according to the Recreation Vehicle Industry Association.

Of those shipments, van conversions accounted for 13,500 or 46.9 percent of the industry's total.

Towable RV shipments of 9,800 accounted for 34.0 percent of the industry's total; motor home shipments of 5,500 accounted for 19.1 percent.

Van conversion shipments in August were up 12.5 percent over the year-earlier month, while towable RVs were up 1.0 percent. Motor home shipments were off 5.2 percent, according to RVIA.

Year-to-date shipments for the industry totaled 268,900, up 4 percent from last year, with van conversion shipments of 131,300 up 13.6 percent.

Van conversions accounted for 48.8 percent of industry shipments for the first eight months of 1986, with towable RVs accounting for 34.1 percent; motor homes, 17.1 percent.

Recreational Vehicle Wholesale Shipments

	August 1986	August 1985	% change	8 months 1986	8 months 1985	% change
Travel trailers	6,200	5,900	+ 5.1	61,300	60,600	+ 1.2
Folding camping trailers	3,000	3,200	– 6.3	25,000	26,300	– 4.9
Truck campers	600	600	0.0	5,300	5,200	+ 1.9
Towable RV total	9,800	9,700	+ 1.0	91,600	92,100	– 0.5
Conventional (type A)	2,700	2,900	– 6.9	22,200	24,200	– 8.3
Van Campers (type B)	300	400	–25.0	4,100	5,200	–21.2
Chopped vans (all)	2,500	2,500	0.0	19,700	21,400	– 7.9
Motor home total	5,500	5,800	– 5.2	46,000	50,800	– 9.4
Van conversions	13,500	12,000	+12.5	131,300	115,600	+13.6
TOTAL ALL RVs	28,800	27,500	+ 4.7	268,900	258,500	+ 4.0

Source: Recreational Vehicle Industry Association

Seasonally adjusted, August shipments represented an annual rate of about 360,000 units, RVIA said, while the year-to-date total indicated shipments are at a 380,-000-unit pace.

Consumer attitudes toward purchases of all types of vehicles have receded somewhat in recent months, but remain at very favorable levels, according to the University of Michigan's August consumer survey.

Overall, the index of consumer sentiment measured 94.9, down slightly from July's reading, but ahead of the 92.4 recorded a year earlier.

Lower interest rates and lower levels of inflation are credited to a large extent for the favorable consumer attitude.

The University of Michigan's Survey Research Center also measures consumers' intentions about renting or buy an RV, and there has been an upward trend for both sales and rentals during 1986.

In August, van chassis shipments — i.e., Detroit manufacturer shipments of vans with the seat delete option for use in future van conversions — tapered off because August traditionally is a model-year changeover month for all four chassis suppliers.

RVIA elects officers, readies for big show

RESTON, Va. — The Recreation Vehicle Industry Association has elected officers and assigned a record amount of exhibit space for its 1986 RV Trade Show in Atlanta Dec. 2-5.

The association will launch an industrywide fund-raising campaign as part of its RV Market Expansion Program at the Atlanta show. It has a three-point fund-raising program to raise half of the nearly $1 million it wants to help expand the RV market in 1987.

It also has scheduled an all-day seminar Nov. 20 on federal motor vehicle safety standards for van conversion firms. The seminar will be at the Dulles Marriott Hotel near RVIA's Reston headquarters.

The new chairman of RVIA is Don Cuzzocrea, president of Starcraft. He formerly was first vice chairman.

John Casey, president of Shurflo/Shurtron, was elected first vice chairman; Allen Yoder, president of Jayco Inc., was elected second vice chairman; Mel Adams, vice president and general manager of Coleman Co.'s RV Group, was elected secretary; and Steven Decker, president of Skamper Corp., was re-elected treasurer.

The five officers form the executive committee with immediate past chairman Gene Stout, executive vice president of Coachmen Industries Inc.; RVIA President David J. Humphreys; and RVIA General Counsel Jerome C. Loftus.

RVIA also elected six industry officials to its 21-member board of directors for three-year terms.

Newly named were Robert Froschauer, executive vice president of operations and president of the RV Division of Holiday Rambler, as at-large representative; Gary D. Lukehart, president of Trail Wagons Inc., as Western van conversion representative; and David Utick, executive vice president of Hehr International Inc., as Western supplier representative.

Re-elected were Elden Smith, vice president, RV Group, Fleetwood Enterprises, as at-large representative; Gerald R. Wannamaker, president of Domestic Sales Corp., as Eastern supplier representative; and John Zimmerman, president of Sunline Coach, as Eastern truck camper representative.

Meanwhile, RVIA's 1986 National RV Trade Show in Atlanta will be the largest ever, with 529,-044 square feet of exhibit space assigned to RV makers and suppliers at the national show space drawing.

A total of 470,444 square feet of exhibit space was assigned to 96 manufacturers. About 14,000 square feet are still available.

All supplier exhibit space has been sold. A total of 239 suppliers will exhibit at 586 booths.

RVIA will launch an industry-wide fund-raiser at the show.

The campaign seeks $150,000 in individual and corporate contributions from all segments of the RV industry for its RV Market Expansion Program.

All show registrants will be solicited for contributions to RVMEP.

This is part of a three-point program to fund market expansion.

Effective Oct. 1, RVIA increased manufacturer seal prices and supplier dues to raise $350,000 from its own members for the RVMEP.

An initial $250,000 will come from manufacturers, whose seal prices have been raised. They will pay $2.50 for both RV seals and van seals, which previously cost $1.25 and $2, respectively.

To raise $100,000 from RVIA supplier members, supplier dues went from $1,100 to $1,500.

Major firms make truck-RV deals

Durakon Industries Inc. struck a major deal with Nissan Motor Corp. in U.S.A; Coachmen Industries Inc. sold its Kenco Division to Sparkomatic Corp.; and Winnebago Industries acquired a satellite transmission service firm.

Durakon, the leading producer of pickup truck bedliners, has agreed to manufacture and distribute a Nissan Duraliner to Nissan's 1,100 dealers.

Durakon also will provide sales and marketing support to Nissan's regional parts sales personnel.

Durakon's association with Nissan is part of its goal to have 50 percent market penetration in truck bedliners by 1990, according to Michael Wayne, president, chairman and chief executive officer of Durakon.

Durakon had fiscal third-quarter sales of $22.1 million, up 39 percent from the same period in 1985. Its third-quarter net income of $1.5 million was up 19 percent from a year earlier.

Durakon anticipates a seventh straight year of record sales and earnings in 1987.

Coachmen sold Kenco to Sparkomatic, of Milford, Pa., for $4.7 million.

Kenco Engineering manufactures and distributes accessories for pickups, vans and recreational vehicles. Its products include running boards, pickup truck bed mats, siderails, pass-thru windows and sunroofs.

Kenco will be operated as a division of Sparkomatic, with all manufacturing and assembly operations continued at Kenco's Middlebury, Ind., facility, according to Edward Anchel, president of Sparkomatic.

Sparkomatic manufactures car sound products, radar detectors, CB equipment and floorshifts which are marketed internationally.

Coachmen is a full-line manufacturer of recreational vehicles and has interests in manufactured housing and aftermarket parts and accessories for the RV and manufactured housing industry.

Its third-quarter sales of $83.9 million were up from $76.1 million a year earlier, while profits of $530,641 compared to a loss of $639,471 in the year-ago period.

Winnebago acquired a majority interest in Cycle Video Inc., a satellite courier business specializing in satellite transmission of commercials to TV stations.

Winnebago acquired 80 percent of the voting stock and 100 percent of the non-voting stock of Cycle Video for about $900,000 in cash and an undisclosed amount of Winnebago stock.

Plans call for Cycle Video to construct and install a satellite up-link transmission system and comprehensive video production and duplication facilities by the spring of 1987.

Cycle Video, in Mason City, Iowa, was founded in 1984.

Winnebago earned $5.7 million in its final fiscal 1986 quarter compared to a loss of $861,000 in the last quarter of 1985. Sales of $94.5 million in the quarter were up from $91.5 million a year earlier.

Sales of $373.8 million for the 1986 fiscal year were off from $424.2 million in 1985.

Full-year earnings of $19.7 million were up from $18.1 million in fiscal 1985.

Price rules today's market, van customizer declares

The Detroit Camper & Travel Trailer Show closed its nine-day run at Cobo Hall Nov. 2, with a strong consumer response.

Automotive attendees included Les Stanford Truck & RV Center, a Dearborn Chevrolet dealership, and Jim Riehl's Roseville Marine & RV Center, a Chrysler-Plymouth dealership.

Absent, though, were van customizers of previous years.

Advanced Creations, of Romulus, Mich., had the only customized van display.

Bob Wolf, president of Advanced Creations, said the show has always generated a "a lot of good orders for us."

TRUCKING TRENDS

JOSEPH BOHN

Advanced Creations turns its show customers and leads over to its area dealers, like Garrity Dodge in Hamtramck, Varsity Ford in Ann Arbor and Mark Chevrolet in Wayne.

Wolf felt competitors had poor show results because they hadn't manned their exhibits properly.

His firm has two or three salespeople working its exhibit full time.

Advanced Creations is having a good year. Wolf expects to sell about 1,000 customized vans this year, up from 800 in 1985.

He said this year's three hottest selling items are "price, price and price."

"We went through a period where everybody upscaled themselves to the point where consumers were left in the dust. Now everybody is back to reality," he said.

Some 95 percent of Advanced Creation's units now retail for $17,-000 to $18,000 rather than $25,000 to $30,000.

It has a bailment pool arrangement with Chrysler and relies on drop-ship units for Ford and Chevy vans.

Wolf's biggest markets are Detroit, Kansas City and Boston.

Meanwhile, the RV market is prospering in Michigan.

Timothy J. De Witt, executive director of the Michigan Association of Recreational Vehicles and Campgrounds, estimated that about 100,000 people visited the show, which featured 500 vehicles from 34 dealers and manufacturers.

The state's RV sales are running ahead of last year's, according to Statistical Surveys Inc., of Grand Rapids, Mich.

Michigan RV registrations of 7,-786 in calendar 1986 through August are up 4.1 percent from a year earlier.

Thomas Walworth, president of Statistical Surveys, said that included 1,893 motorized vehicles, up 1.0 percent from last year, and 5,893 non-motorized, up 5.2 percent.

TRUCK INDUSTRY

Dina denies shutdown report, but asks Mexico for help

By Emil Zubryn
SPECIAL CORRESPONDENT

CUERNAVACA, Mexico — Diesel Nacional denied rumors it was considering a temporary shutdown and layoff of 4,500 employees.

But in a report to the Ministry of Programming and Budget, management admitted that most of the 10 firms making up the Dina complex are operating with obsolete equipment. It has asked the government for help.

That is true of a lot of non-engine-related component technology in its bus production.

The Ministry of Commerce also denied reports of Dina associating itself with General Motors for the production of trucks and engines, citing restricted demand for the products in the Mexican market.

Dina appears unlikely to make any major technological advances in the foreseeable future because of its lack of investment capital.

With a declining market and high production costs, Dina has considerable financial problems. It has to service a foreign debt of $350 million.

It is operating at 30 percent of capacity, its lowest level in 15 years.

In a bid to keep the company afloat, Dina officials asked the Mexican government to take over its liabilities.

They said the company is spending 53.3 percent of its revenue to service its foreign debt, leaving only 46.7 percent for its operations.

In its report to the government, Dina said it was restructuring to consolidate its operations.

The plan includes plant modernization, adoption of new technology, an increase in investment for its profitable Motors Perkins affiliate to help it introduce a new engine line and the sale of parts of its operations.

The company plans to put Dina Komatsu and Dina Rockwell up for sale. Maquiladora Automotriz Nacional (National In-Bond Automotive Co.) also will be liquidated. The firm is not in operation at this time.

Dina has made some technological improvements that give it potential export capability to U.S. and Latin American markets.

Motor Diesel Mexicana and Dina Cummins have been modernized.

However, they lack the money to undertake such foreign sales expansion. The lack of liquidity of some Latin American countries also has Dina cautious about exporting to them.

The company plans to adapt to internal and international market conditions, but it said it needs the full financial assistance of the Mexican government to do so.

Light trucks off for Oct.; year-to-date ahead of '85

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

October light-truck sales were down 3.7 percent from last year's record high. But considering the pull-ahead factor of heavy finance incentives which ended last month, it was a strong start for the 1987 model year.

The light-truck manufacturers retailed 340,672 units in October compared to 353,911 a year earlier.

Their calendar-year-to-date total of 3,927,568, up 6.2 percent from last year, continues to be on target for a record in 1986.

Jeep and the imports continued to set records in October.

Jeep's October sales of 20,630 were up 9.1 percent from a year earlier.

Import truck sales of 64,669 units were up 6.5 percent from last year's previous monthly high.

Among the importers, Toyota, Mazda, Isuzu and Suzuki established new highs.

The addition of two truck lines, the Dakota and Raider, to its sales total helped Chrysler manage a small increase over last year. It retailed 48,466 trucks in October compared to 48,247 a year earlier.

Ford light-truck sales were off 4.0 percent in October.

Its Aerostar, firmly established as the best-selling nameplate in the minivan market, and the restyled F-series helped offset some of the decline in its other truck lines.

The F-series pickups, with an 8.2 percent sales gain, are off to a modest start.

Chevrolet's carryover full-sized pickup models had a 26.8 percent sales gain for the month; GMC's full-sized pickup sales also were up strongly.

Ford's overall light, medium and heavy sales of 101,728 were down 4.8 percent for the month.

Chevrolet's light-truck sales of 87,178 were down 12.3 percent in October.

Chevrolet's total light- and medium-duty sales of 88,727 were down 12.9 percent.

Similarly, GMC's total light-, medium- and heavy-truck sales of 23,978 were down 14.9 percent.

Light-duty GMC sales of 22,189 were down 11.2 percent, with its Safari compact van, full-sized vans and pickups turning in the strongest performances among its lines.

MAJOR MANUFACTURERS BY SEGMENT

	October		Year-to-Date	
	1986	1985	1986	1985
Light-Duty	97,540	101,625	1,124,281	1,014,428
Medium-Duty	3,359	4,077	35,660	38,651
Heavy-Duty	829	1,133	10,326	12,861
Ford Total	**101,728**	**106,835**	**1,170,267**	**1,065,940**
Light-Duty	87,178	99,449	1,121,209	1,079,213
Medium-Duty	1,549	2,406	15,504	17,622
Chevrolet Total	**88,727**	**101,855**	**1,136,713**	**1,096,835**
Light-Duty	22,189	24,978	262,177	264,516
Medium-Duty	1,388	2,223	27,450	25,109
Heavy-Duty	401	984	6,224	9,277
GMC Total	**23,978**	**28,185**	**295,851**	**298,902**

Light-Duty October, Year-to-Date Sales

	October		Year-to-Date	
	1986	1985	1986	1985
Vans	14,140	14,190	148,978	156,004
Aerostar	11,738	6,470	122,499	13,927
Club Wagon	2,532	2,285	22,227	27,007
Ranger	15,745	22,967	232,698	202,646
Bronco	3,115	4,915	40,392	42,824
Bronco II	7,505	11,261	85,737	85,182
Pickups	42,765	39,537	471,750	486,838
Ford	**97,540**	**101,625**	**1,124,281**	**1,014,428**
Vans	11,185	10,281	126,530	128,524
Sportsvan	1,056	1,560	14,341	18,180
Astro	11,696	9,033	129,275	86,444
S-10	12,393	19,241	186,135	179,259
S-10 Blazer	9,481	21,802	144,935	151,188
El Camino	1,393	1,944	19,817	17,471
Blazer	2,840	4,270	38,351	37,798
Suburban	3,891	5,091	53,700	49,420
Pickups	33,243	26,227	408,125	410,929
Chevrolet	**87,178**	**99,449**	**1,121,209**	**1,079,213**
Vans	5,282	6,270	63,111	55,374
Ram Wagon	2,722	3,495	34,818	34,658
Voyager	7,712	9,230	89,780	89,506
Caravan	8,625	9,670	95,152	95,415
Mini Ram Van	1,086	1,583	12,462	20,013
Ram 50	6,812	6,117	62,134	59,127
Raider	1,239	0	2,305	0
Ramcharger	1,432	1,020	19,863	26,972
Dakota	5,358	0	9,891	0
Pickups	8,138	10,862	89,091	142,295
Chrysler	**48,466**	**48,247**	**478,607**	**523,366**
Vans	3,251	2,894	33,577	34,728
Safari	2,246	2,246	25,443	20,592
S-15	2,586	4,377	40,610	40,215
S-15 Jimmy	2,576	4,733	33,764	34,450
Jimmy	752	865	7,787	7,308
Caballero	168	242	2,268	2,151
Suburban	1,567	1,631	16,527	15,192
Pickups	8,498	7,677	97,461	103,960
P Model	420	313	3,703	5,920
W-4	125	0	1,037	0
GMC	**22,189**	**24,978**	**262,177**	**264,516**
Wrangler/CJ	2,765	3,356	28,745	31,974
Wagoneer	1,748	1,258	9,956	10,627
Cherokee	10,233	9,367	87,204	76,057
Grand Wagoneer	2,069	2,434	13,062	14,176
Comanche	3,768	2,343	27,803	3,466
J-10/J-20	47	145	1,322	1,612
Jeep	**20,630**	**18,903**	**168,092**	**137,912**
Toyota	26,521	25,531	319,027	270,536
Nissan	11,644	14,867	187,751	226,302
Mazda	12,863	11,317	131,301	96,649
Isuzu	6,364	5,170	71,714	64,608
Mitsubishi	2,794	2,824	26,680	21,811
Suzuki	4,483	0	36,729	0
Imports	**64,669**	**60,709**	**773,202**	**679,906**
Industry Total	**340,672**	**353,911**	**3,922,956**	**3,927,568**

*Nissan includes domestically-built units in Tennessee.

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AUCTION DATES

Ford Motor Co.

Nov. 12 — Clanton's Auto Auction, Darlington, S.C.; Lakeland Auto Auction, Lakeland, Fla.; and Salt Lake Auto Auction, Salt Lake City

Nov. 13 — Aptco Auto Auction, Taylor, Mich.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

American Motors

Nov. 11 — High Point Auto Auction, High Point, N.C.

Nov. 12 — Columbus Fair Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Nov. 13 — Corry Auto Auction, Corry, Pa.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

Nov. 11 — Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and NuCarPrep System, Santa Fe Springs, Calif.

Nov. 12 — Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; and Minneapolis Auto Auction, Plymouth, Minn.

General Motors

Nov. 11 — Denver Auto Auction, Englewood, Colo.; 166 Auto Auction, Springfield, Mo.; Florida Auto Auction of Orlando, Ocoee, Fla.; and South Seattle Auto Auction, Kent, Wash.

Nov. 12 — Brasher's Southern California Auto Auction, Fontana, Calif., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales
Auction Averages

November to date	$5,194
Month ago	$5,200
Year ago	$4,776

Model Breakdown
Auction Averages

	NOV 1986	OCT 1986	SEP 1986
1986	$11,478	$11,574	$11,846
1985	$8,392	$8,414	$8,472
1984	$6,214	$6,215	$6,221
1983	$5,442	$5,442	$5,459
1982	$4,207	$4,216	$4,261
1981	$3,273	$3,277	$3,333
1980	$2,411	$2,424	$2,463
1979	$2,083	$2,086	$2,109
Overall Average	$5,194	$5,196	$5,206

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SALES

DOMESTIC CAR SALES

	Oct. 21 to Oct. 31, 1986	Same Period, 1985	Oct. 1986	Same Month, 1985	Jan. 1 to Oct. 31, 1986	Same Period, 1985
Alliance	0	0	5,356	6,027	44,900	61,552
Encore	0	0	1,291	2,595	13,016	35,828
Total Renault	0	0	6,647	8,622	57,916	97,380
Eagle	0	0	661	1,266	6,378	10,735
Total AMC	0	0	661	1,266	6,378	10,735
AMERICAN MOTORS	3,039	4,573	7,308	9,888	64,555	108,115
Horizon	3,508	2,154	8,780	6,139	94,112	75,003
Sundance	1,661	0	3,809	0	9,507	0
Turismo	779	1,045	3,296	3,150	42,019	47,226
Reliant	3,518	3,968	10,540	13,283	109,628	119,832
Caravelle	1,109	1,480	3,575	4,242	33,418	30,708
Plymouth	536	359	1,456	1,051	15,058	16,336
Total Plymouth	11,111	9,006	31,456	27,865	303,742	289,105
Laser	340	866	2,253	2,849	26,282	46,377
LeBaron K	1,792	2,836	6,191	7,499	85,114	76,454
LeBaron GTS	1,365	1,938	6,637	5,691	60,407	58,937
Fifth Avenue	2,770	5,751	9,712	14,509	94,826	97,994
E-Class	0	0	0	0	2,688	0
New Yorker	1,503	2,040	5,526	5,615	47,483	48,218
Total Chrysler	7,770	13,431	30,319	36,163	316,800	327,980
Omni	3,028	1,587	7,961	4,736	82,762	62,923
Shadow	1,587	0	3,599	0	8,700	0
Charger	1,073	1,055	4,243	3,321	46,783	51,099
Daytona	280	894	2,068	2,760	34,258	43,979
Aries	2,899	3,911	9,146	11,375	86,729	100,670
Lancer	903	1,250	4,785	4,200	43,685	42,204
Diplomat	1,149	911	3,758	2,875	30,913	31,639
Dodge 600	1,321	1,941	4,934	5,347	55,403	47,858
Total Dodge	12,240	11,549	40,494	34,614	389,233	380,372
CHRYSLER MOTORS	31,121	33,986	102,269	98,642	1,009,775	997,457
EXP	0	42	0	154	0	17,455
Escort	8,942	13,968	26,800	33,359	339,622	351,350
Mustang	2,053	5,235	8,740	13,544	148,679	135,706
Tempo	6,599	5,772	21,073	14,836	223,236	246,525
Taurus	11,657	0	29,634	0	190,738	0
Thunderbird	1,343	3,664	6,060	9,556	122,635	138,763
LTD	0	4,161	0	12,444	23,587	170,328
Crown Victoria	3,581	4,109	10,120	10,995	110,071	145,000
Total Ford Division	34,175	36,951	102,427	94,888	1,158,568	1,205,127
Lynx	1,114	2,623	4,144	6,376	56,878	73,228
Topaz	1,791	1,381	5,843	3,895	56,039	65,100
Sable	4,016	0	9,882	0	78,015	0
Cougar	899	2,671	3,843	6,522	105,197	99,309
Capri	138	325	589	946	11,278	13,666
Marquis	0	2,122	0	6,230	10,180	81,602
Grand Marquis	4,010	2,837	9,712	7,947	98,754	119,966
Total Mercury	11,968	11,959	34,013	31,916	416,341	458,691
Continental	856	735	2,013	1,835	16,242	23,931
Lincoln	4,922	4,511	14,394	10,160	103,841	98,033
Mark VII	923	557	2,295	1,484	18,206	16,920
Total Lincoln	6,701	5,803	18,702	13,479	138,289	138,884
Total L-M Division	18,669	17,762	52,715	45,395	554,630	597,575
FORD MOTOR COMPANY	52,844	54,713	155,142	140,283	1,713,198	1,802,702
Skyhawk	1,949	2,436	7,245	6,020	65,126	74,096
Skylark	0	134	0	438	2,522	53,610
Somerset Regal	2,122	3,259	8,291	7,591	101,413	81,949
Century	7,055	7,968	23,536	19,150	212,317	203,161
Regal	2,020	3,429	7,362	7,768	71,166	101,258
LeSabre	4,662	1,527	15,010	4,243	106,956	106,831
Electra	2,644	3,559	9,279	8,996	94,344	82,001
Riviera	412	1,589	2,558	4,231	19,857	44,529
Total Buick	20,864	23,901	73,281	58,437	673,701	747,435
Cimarron	426	575	1,522	1,273	20,809	20,105
Seville	666	906	2,355	2,308	17,063	25,511
Cadillac	6,543	5,319	18,369	13,604	199,590	156,595
Eldorado	588	1,902	2,129	4,832	21,066	52,668
Total Cadillac	8,223	8,702	24,375	22,017	258,528	254,879
Chevette	2,398	3,435	6,583	8,744	58,523	114,850
Nova	1,885	2,263	7,931	5,605	159,321	21,928
Cavalier	6,067	9,617	19,478	23,773	316,908	365,984
Citation	0	186	0	647	1,033	42,885
Camaro	3,060	5,087	9,263	12,733	148,128	177,909
Celebrity	11,242	11,398	26,763	25,742	344,891	311,629
Corsica Beretta	2,537	0	2,537	0	2,537	0
Monte Carlo	2,281	3,933	7,903	10,707	99,118	96,836
Chevrolet	5,816	7,057	16,624	16,436	194,033	210,965
Corvette	887	1,410	2,482	3,614	28,706	31,825
Total Chevrolet	36,173	44,386	99,564	108,001	1,353,198	1,374,811
Firenza	725	1,418	2,123	3,407	31,118	42,770
Calais	2,386	3,939	6,736	10,358	102,094	108,786
Cutlass Ciera	8,366	9,989	24,765	24,649	288,459	291,356
Cutlass Supreme	3,438	5,571	10,718	15,259	173,756	193,643
Olds 88	5,158	3,125	18,490	8,879	232,115	169,216
Olds 98	3,024	3,776	7,841	9,966	94,893	102,813
Toronado	348	976	1,591	2,713	14,282	29,392
Total Oldsmobile	23,445	28,794	72,264	75,231	936,717	937,976
Fiero	1,146	2,219	4,094	5,569	61,409	81,904
1000	275	659	1,060	1,897	16,422	19,617
Sunbird	1,841	3,052	6,008	7,353	93,183	101,558
Phoenix	0	0	0	0	0	896
Firebird	1,906	2,989	5,412	6,738	83,129	88,407
Grand Am	7,402	5,860	17,968	14,390	169,531	96,232
6000	5,692	4,889	15,291	13,897	173,331	141,456
Bonn. Gr. Prix	848	1,259	6,182	3,494	37,518	46,889
Grand Prix	0	1,254	3,236	3,496	35,650	51,498
Parisienne Bonn.	2,326	2,103	0	5,052	59,062	59,343
Total Pontiac	21,436	24,284	59,251	61,886	729,235	687,800
GENERAL MOTORS	110,141	130,067	328,735	325,572	3,951,379	4,002,912
VOLKSWAGEN	2,627	3,417	5,363	6,370	63,447	65,581
HONDA	15,916	3,816	27,106	10,691	180,008	125,940
NISSAN	3,051	3,099	6,623	6,953	37,231	28,030
DOMESTIC TOTAL	218,739	233,671	632,546	598,399	7,019,593	7,130,737
IMPORT TOTAL			272,552	266,265	2,657,708	2,334,148
INDUSTRY TOTAL			905,098	864,664	9,677,301	9,464,885

October deliveries climb 4.7%

Imports set record; domestics advance, too

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Combined domestic and import new-car sales in the United States last month totaled 905,098, a 4.7 percent increase over the October 1985 total of 864,664.

The slight increase was recorded in a feast-and-famine month for the domestic makers, as the annual percentage rate finance incentives ended during the first 10-day period. It was the best October ever for import sales.

The manic early October domestic sales, which fell sharply at midmonth, settled into post-incentive marketplace ennui in the final 10-day period of the month.

The domestic makers sold 247,623 cars in the Oct. 1-10 period, as the APR programs wound down. In the Oct. 11-20 period sales plunged 32.8 percent 166,446.

During the Oct. 21-31 period, sales fell 6.4 percent to 218,739 from 233,671 last year.

Buoyed by the APR incentives, which ended early in the month, total domestic new-car sales for October reached 632,546 — 5.7 percent above the 598,399 cars sold in October 1985, but well below the monthly record of 933,713 set in October 1971.

In the final 10-day period, domestic sales recovered somewhat. The final 10-day period traditionally is the strongest part of any month because of dealership-level incentive programs and month-end bookkeeping requirements that encourage stronger performance by sales personnel.

In October, the first 10-day period accounted for more than 39 percent of the month's domestic tally, while the final 10-day period accounted for 34.6 percent.

The import new-car sales total for the month was up 2.4 percent, to 272,552 from 266,265 sold last October. It was the best October ever for imports, and the fourth highest monthly import-car sales total in history, trailing 305,209 in July 1986; 291,952 in September 1986; and 286,194 in May 1986.

Although importers reported a mixed bag of monthly winners and losers, the overall effort was sufficient to push import penetration to 30.1 percent.

A year ago, imports accounted for 30.8 percent of all October sales.

However, for the first 10 months of this year, the APR-fueled sales gains of some domestic makers have kept import penetration to 27.5 percent.

During October, American Motors continued to have its problems, despite the zero APR program that ran the entire month. AMC car sales last month were off 26 percent to 7,308. In the same month last year, without the zero APR program, AMC car sales totaled 9,888.

Sales of U.S.-built Volkswagens were off 15.8 percent in October, to 5,363 from 6,370. Nissan reported that sales of its U.S.-built cars were 6,623, down 4.7 percent.

Meanwhile, however, sales of Honda's domestic models rose 153.5 percent to 27,106.

Chrysler Motors' sales rose 3.7 percent to 102,269 and Ford Motor Co. sales were up 10.6 percent to 155,142.

General Motors, which started that last wild and woolly round of APR incentives with its 2.9 percent "Big One" program, reported a monthly sales total of 328,735, up about one percent from the 325,572 cars it sold in October 1985.

Among GM's divisions, Oldsmobile, Chevrolet and Pontiac were the year-to-year losers, while Buick and Cadillac posted big months.

On the import side of the ledger, 15 makes reported year-to-year sales declines for October. The total was boosted, however, by Acura and Hyundai sales.

Both Acura and Hyundai went on sale this year and thus were not included in last October's tally.

Yugo, which was in the very early stages of U.S. distribution last October, posted a 359 percent sales increase to 4,129.

The other import makes that showed year-to-year sales increases were Alfa Romeo, up 137 percent; Mercedes-Benz, up 129 percent; Isuzu, up 77 percent; Chevrolet Spectrum, up 37.6 percent; Saab, up 30.1 percent; Merkur, up 18 percent; BMW, up 10.2 percent; Peugeot, up 8 percent; Dodge Conquest, up 6.1 percent; Volvo, up 5.5 percent, and Plymouth Conquest, up 4.5 percent.

Where the market was Oct. 1986

	Total Sales	Pct. of Total
SUBCOMPACT	132,360	14.62%
COMPACT	113,834	12.58%
INTERMEDIATE	236,164	26.09%
STANDARD	75,170	8.31%
LUXURY	75,018	8.29%
IMPORT	272,552	30.11%
TOTAL	905,098	100.00%

U.S. CAR SALES BY MARKETING UNITS

	Oct. 1986	Oct. 1985	10 Mos. 1986	10 Mos. 1985
Chevrolet	110,842	119,193	1,493,410	1,438,661
Ford	102,427	94,888	1,158,568	1,205,127
Oldsmobile	72,264	75,231	936,717	937,987
Toyota	53,536	60,554	502,887	517,115
Pontiac	59,251	61,886	729,235	687,800
Buick	73,281	58,437	673,701	747,435
American Honda	68,563	53,250	544,091	453,922
Nissan	45,201	51,632	459,852	480,442
Dodge	45,529	41,437	447,611	421,638
Mercury	35,061	32,803	429,308	465,962
Plymouth	36,079	33,754	358,040	327,338
Chrysler	30,319	36,163	316,800	327,980
VWoA	21,132	24,383	238,625	246,890
Hyundai	17,578	—	130,545	—
Cadillac	24,375	22,017	258,528	254,879
Mazda	17,472	20,254	176,283	162,283
Subaru	15,356	16,112	155,654	146,403
Lincoln	18,702	13,479	138,289	138,884
Volvo	8,915	8,453	103,254	92,146
BMW	8,275	7,507	79,257	73,801
Mercedes	10,235	4,467	77,232	69,473
AMC-Renault	7,534	10,538	68,221	114,439
Saab	3,949	3,016	40,720	32,393
Mitsubishi	3,686	4,946	39,694	42,115
Yugo	4129	899	27,636	1,277
Porsche	2,114	2,407	24,756	20,280
Jaguar	2,490	2,619	19,878	15,884
Isuzu	4,324	2,443	28,988	23,122
Peugeot	1,554	1,437	11,707	13,990
Alfa Romeo	865	365	6,755	4,001
Maserati	60	94	1,059	1,218
TOTAL	905,098	864,664	9,677,301	9,464,885

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Oct. 1986	Oct. 1985	10 Mos. 1986	10 Mos. 1985
Acura	7,146	—	36,437	—
Alfa Romeo	865	365	6,755	4,001
Audi	5,800	6,255	52,413	61,607
BMW	8,275	7,507	79,257	73,801
Chevrolet Spectrum	8,127	5,891	85,698	43,438
Chevrolet Sprint	3,151	5,301	54,514	20,412
Dodge Colt	3,366	5,250	41,356	29,708
Dodge Conquest Vista	1,669	1,573	17,022	11,558
Honda	34,311	42,559	327,646	327,982
Hyundai	17,578	—	130,545	—
Isuzu	4,324	2,443	28,988	23,122
Jaguar	2,490	2,619	19,878	15,884
Maserati Biturbo	60	94	1,059	1,218
Mazda	17,472	20,254	176,283	162,283
Mercedes-Benz	10,235	4,467	77,232	69,473
Merkur	1,048	887	12,967	7,271
Mitsubishi	3,686	4,946	39,694	42,115
Nissan	38,578	44,679	422,621	452,412
Peugeot	1,554	1,437	11,707	13,990
Plymouth Colt	3,101	4,432	38,480	27,043
Plymouth Conquest/Vista	1,522	1,457	15,818	11,190
Porsche	2,114	2,407	24,756	20,280
Renault	226	650	3,666	6,324
Saab	3,949	3,016	40,720	32,393
Subaru	15,356	16,112	155,654	146,403
Toyota	53,536	60,554	502,887	517,115
Volkswagen	9,969	11,758	122,765	119,702
Volvo	8,915	8,453	103,254	92,146
Yugo	4,129	899	27,636	1,277
TOTAL	272,552	266,265	2,657,708	2,334,148

Carmakers give money to schools

DETROIT — The Ford Motor Co. Fund has given a grant of $500,000 to Oakland University, in Rochester, Mich., for the School of Engineering and Computer Science.

The General Motors Foundation has made a three-year, $30,000 grant to the Society of Manufacturing Engineers Education Foundation. The money will be used to improve basic laboratory instruction in manufacturing.

PRODUCTION

U.S. CAR	Week Ended Nov. 8, 1986	Week Ended Nov. 9, 1985	Week Ended Nov. 1, 1986	Oct. Total	Jan. 1 to Nov. 9, 1985	Jan. 1 to Nov. 8, 1986
AMERICAN MOTORS	0	2,813	0	3,857	98,269	43,842
Renault Total	0	2,813	0	3,857	98,269	43,842
Alliance	0	2,186	0	3,857	63,710	40,495
Encore	0	627	0	0	34,559	3,347
CHRYSLER MOTORS	22,900	29,769	26,898	122,382	1,081,135	1,129,411
Plymouth Total	7,600	9,312	9,400	44,302	313,454	357,698
Horizon	2,600	3,732	3,430	17,377	120,515	147,539
Sundance	1,700	0	2,365	7,335	0	23,105
Reliant	2,200	4,152	2,334	12,869	138,687	131,734
Caravelle	700	1,428	799	4,177	40,360	38,320
Gran Fury	400	0	472	2,544	13,892	17,000
Chrysler Total	5,400	8,562	6,222	29,843	350,893	334,590
Laser	0	1,225	0	0	44,753	26,978
LeBaron	1,000	2,863	1,167	5,008	78,132	74,638
LeBaron GTS	700	2,961	862	4,164	83,068	55,891
New Yorker/E-Class	1,100	1,513	1,299	5,801	55,281	62,644
Fifth Avenue	2,600	0	2,894	14,870	92,659	114,439
Dodge Total	9,900	11,895	11,276	48,237	412,788	437,123
Daytona	0	1,205	0	0	40,436	30,343
Omni	2,700	3,570	2,905	15,208	116,627	140,544
Shadow	1,800	0	2,257	7,390	0	21,978
Aries	3,600	3,076	3,783	14,681	115,324	109,069
Dodge 600	900	2,088	1,124	4,627	56,159	57,159
Lancer	500	1,956	683	3,169	56,876	42,562
Diplomat	400	0	524	3,162	28,366	35,468
FORD MOTOR	37,175	36,182	34,676	152,762	1,421,577	1,499,244
Ford Division	27,249	23,165	25,900	108,416	954,551	1,035,293
Escort	9,240	8,365	8,825	36,650	293,896	326,531
EXP	0	0	0	0	3,838	0
Mustang	2,966	4,096	2,303	4,858	158,354	152,914
Tempo	4,090	3,723	4,101	18,672	160,746	168,620
LTD	0	3,408	0	0	180,775	0
Taurus	8,090	459	7,681	39,884	1,474	273,543
Thunderbird	2,863	3,114	2,990	6,352	148,346	113,685
Crown Victoria	0	0	0	0	7,122	0
L-M Division	9,926	13,017	8,776	44,346	467,026	463,951
Mercury Total	5,290	8,821	4,741	24,397	327,423	309,049
Lynx	1,396	2,334	625	3,946	62,976	52,256
Capri	0	370	0	0	16,307	12,344
Topaz	1,243	670	1,413	5,997	48,262	50,169
Cougar	200	3,687	52	68	110,270	87,203
Marquis	0	1,071	0	0	83,510	0
Sable	2,451	689	2,651	14,386	1,365	107,077
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,636	4,196	4,035	19,949	139,603	154,902
Continental	463	586	406	2,000	21,992	16,823
Lincoln	3,478	3,146	3,027	14,959	102,180	116,180
Mark VII	695	464	602	2,990	15,431	21,899
GENERAL MOTORS	95,926	104,551	93,712	382,549	4,175,491	3,582,699
Buick Total	20,548	22,116	17,881	68,955	869,777	668,152
Skyhawk	1,790	3,750	1,807	8,265	90,942	72,989
Century	5,571	8,172	3,854	15,647	251,085	194,907
Regal	1,942	2,667	1,943	4,794	118,067	52,310
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	2,634	1,590	2,411	10,630	108,356	95,590
LeSabre (fwd)	4,745	896	4,423	17,108	3,306	136,446
LeSabre/Electra(rwd)	330	702	353	1,441	94,167	13,191
Electra(fwd)	2,578	4,144	2,395	8,930	116,519	80,260
Riviera	958	195	695	2,140	46,382	22,459
Cadillac Total	8,115	6,854	6,805	27,833	284,962	274,829
Cimarron	1,065	741	396	1,051	22,804	20,780
Cadillac (rwd)	1,320	880	1,148	5,451	34,465	68,125
DeVille (fwd)	4,015	4,867	3,975	17,368	148,640	144,961
Eldorado	1,025	191	699	2,148	51,632	21,533
Seville	690	175	587	1,815	27,421	19,430
Chevrolet Total	30,946	34,574	33,808	133,468	1,402,678	1,131,513
Chevette	2,714	2,870	2,621	11,855	136,673	89,424
Camaro	3,295	4,852	3,381	15,215	183,009	153,867
Cavalier	8,936	10,589	9,572	34,370	423,752	344,560
Celebrity	6,294	5,025	8,360	33,340	229,104	222,192
Citation	0	0	0	0	28,699	0
Corsica/Beretta	1,197	0	1,102	3,598	0	5,535
Monte Carlo	2,440	2,582	2,575	7,611	120,654	97,836
Chevrolet	5,430	7,658	5,545	24,569	238,759	193,301
Corvette	640	998	652	2,930	39,897	24,798
Oldsmobile Total	16,800	22,663	17,065	69,499	1,017,516	824,200
Firenza	860	1,308	1,057	4,705	53,954	34,195
Calais	2,514	3,146	2,778	12,468	129,446	102,776
Cutlass Ciera	4,605	7,153	4,339	18,575	305,298	207,385
Cutlass Supreme	1,808	5,268	1,526	5,027	203,169	98,809
88 (fwd)	2,924	1,923	3,390	12,567	8,902	249,040
88 (rwd)	480	605	468	2,049	164,329	16,761
Olds 98	2,925	3,111	3,008	12,576	124,425	99,098
Toronado	684	149	499	1,532	27,993	16,136
Pontiac Total	19,517	18,344	18,153	82,774	600,558	684,005
Acadian**	0	870	320	1,536	13,325	14,117
Fiero	1,760	2,433	1,780	8,071	101,094	59,844
1000	465	1,503	744	2,058	29,012	17,218
Firebird	2,155	2,723	2,093	9,618	97,262	93,394
2000 Sunbird	2,502	2,954	1,843	9,919	122,055	117,116
Grand Am	6,185	3,420	5,303	26,179	117,415	198,746
6000	2,670	1,752	2,680	11,120	47,026	115,730
Bonneville	3,400	0	3,076	13,191	0	19,869
Parisienne	380	2,689	314	1,082	73,369	47,971
HONDA	5,560	3,033	7,134	29,735	124,807	192,065
Civic	1,710	0	1,723	6,487	0	10,924
Accord	3,850	3,033	5,411	23,248	124,807	181,141
NISSAN	2,920	1,426	2,929	12,543	31,950	44,997
NUMMI	4,200	1,900	4,276	20,603	46,739	168,383
Corolla	1,100	0	1,151	4,764	0	3,616
Nova*	3,100	1,900	3,125	15,839	46,739	164,767
VOLKSWAGEN	2,000	2,365	2,003	9,068	82,013	72,499
Golf/GTI	2,000	2,365	2,003	9,068	82,013	72,499
Total Cars, U.S.	170,681	182,039	171,628	733,499	7,061,981	6,733,140
Total Cars, Canada	25,700	22,458	25,113	107,705	938,836	900,944
N. American Cars	196,381	204,497	196,741	841,204	8,000,817	7,634,084
N. American Trucks	82,275	89,069	80,712	371,805	3,696,688	3,748,187
North American Cars and Trucks	278,656	293,566	277,453	1,213,009	11,697,505	11,382,271

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

October car production rises 3%

Domestic automakers built 733,499 cars in October, 3.61 percent fewer than the 760,970 assembled in the year-ago month.

October's total was 14.75 percent better than September's 639,199.

The makers scheduled 170,681 cars for assembly last week, about the same (down 0.55 percent) as the previous week's 171,628 and 6.24 percent fewer than the 182,039 built in the year-ago week.

So far this year, 6,733,140 cars have been assembled, 4.66 percent below the 7,061,981 completed last year at this time.

Last week's scheduled production was split as follows: General Motors, 56.20 percent; Ford Motor Co., 21.78 percent; Chrysler Corp., 13.42 percent; Honda of America Manufacturing Inc., 3.26 percent; New United Motor Manufacturing Inc., 2.46 percent; Nissan Motor Motor Manufacturing Co., U.S.A., 1.71 percent; and Volkswagen of America, 1.17 percent.

GM scheduled Saturday (Nov. 8) overtime at Lansing Plant No. 2.

Ford slated daily overtime this week (Nov. 10) at its plants in Wixom, Mich.; Wayne, Mich.; Edison, N.J.; Atlanta; and Chicago.

Saturday (Nov. 15) overtime is scheduled at Ford's Chicago and Atlanta plants.

Chrysler slated two overtime shifts Saturday (Nov. 8) at its plants in Belvidere, Ill.; Detroit (Jefferson); and St. Louis.

Chrysler's plants in Belvidere and Sterling Heights, Mich., are slated to work two nine-hour daily shifts this week. The Jefferson plant is scheduled to operate two 8½-hour daily shifts this week.

Fewer trucks for month

Domestic makers assembled 319,066 trucks in October, 5.96 percent fewer than the 339,284 built in the year-ago month.

They built 1.33 percent fewer trucks in October than in September, when the total was 323,381.

Year-to-date truck production passed 3 million last Friday (Nov. 7), 14 days ahead of 1985.

So far this year, 3,062,565 trucks have been assembled, 3.24 percent more than the 2,966,502 built last year at this time.

Last week, 72,176 trucks were scheduled for production, 2.91 percent more than the prior week's 70,133, and 1.44 percent more than the year-ago week's 71,151.

General Motors slated Saturday (Nov. 8) overtime at its plants in Flint (No. 1) and Pontiac, Mich.; and St. Louis.

Ford Motor Co. has scheduled daily overtime this week (Nov. 10) at its plants in Lorain, Ohio; Louisville, Ky.; and St. Louis.

Ford slated Saturday (Nov. 15) overtime at Louisville.

Chrysler Corp. slated two overtime shifts Saturday (Nov. 8) at its Warren, Mich., plant. The Warren plant is scheduled to operate two nine-hour daily shifts this week.

900,000th car for Canada

Canadian automakers built their 900,000th car of the year last Thursday (Nov. 6), one week behind 1985.

So far this year, 900,944 cars have been assembled, 4.04 percent below the 938,836 completed last year at this point.

Car production for October totaled 107,705. It was 17.54 percent more than September's 91,632 but 1.47 percent below the 109,307 produced in October 1985.

Last week's targeted output of 25,700 cars was 2.34 percent more than the previous week's 25,113 and 14.44 percent more than the year-ago week's 22,458.

Downtime at one General Motors plant and one Ford Motor Co. plant contributed to a decline in truck production for October.

Truckmakers assembled 52,739 units, 12.15 percent below September's 60,037 and 22.20 percent below the total of 67,785 in October last year.

Scheduled production of 10,099 trucks last week was 4.54 percent below the previous week's 10,579 and 43.64 percent below the year-ago week's 17,918.

Year-to-date, 685,622 units have been built, 6.10 percent below the 730,186 assembled last year at this time.

Ford Motor Co.'s Ontario truck plant in Oakville resumed output last week (Nov. 3). The plant had been idle for two week's for model changeover.

CANADIAN CAR	Week Ended Nov. 8, 1986	Week Ended Nov. 9, 1985	Week Ended Nov. 1, 1986	Oct. Total	Jan. 1 to Nov. 9, 1985	Jan. 1 to Nov. 8, 1986
AMERICAN MOTORS	150	0	120	521	9,714	3,711
FORD MOTOR	11,645	9,742	11,115	46,760	430,490	448,523
GENERAL MOTORS	13,680	12,494	13,653	59,434	490,084	440,145
VOLVO	225	222	225	990	8,548	8,565
Total Cars, Canada	25,700	22,458	25,113	107,705	938,836	900,944
U.S. TRUCK☆	Week Ended Nov. 8, 1986	Week Ended Nov. 9, 1985	Week Ended Nov. 1, 1986	Oct. Total	Jan. 1 to Nov. 9, 1985	Jan. 1 to Nov. 8, 1986
CHEVROLET	24,387	18,845	24,240	107,476	1,008,365	1,023,169
DODGE	4,700	5,615	5,883	23,820	181,901	115,514
FORD	24,550	28,298	22,260	105,633	1,029,675	1,189,310
GMC	8,536	6,919	7,730	34,722	308,229	312,390
NAVISTAR	1,573	1,377	1,620	7,233	64,175	62,092
JEEP	4,350	5,800	4,358	21,561	196,877	162,820
NISSAN	1,730	2,247	1,692	7,911	94,147	96,104
AM GENERAL*	50	50	50	230	2,180	2,174
MISCELLANEOUS*	2,300	2,000	2,300	10,580	80,953	98,992
Total Trucks, U.S.	72,176	71,151	70,133	319,066	2,966,502	3,062,565
CANADIAN TRUCK	Week Ended Nov. 8, 1986	Week Ended Nov. 9, 1985	Week Ended Nov. 1, 1986	Oct. Total	Jan. 1 to Nov. 9, 1985	Jan. 1 to Nov. 8, 1986
AMERICAN MOTORS	650	0	520	2,798	0	24,410
CHRYSLER	7,470	7,721	8,993	36,565	335,754	342,820
FORD	804	3,642	0	7,689	138,943	128,593
GENERAL MOTORS	975	6,352	867	4,812	245,796	181,723
NAVISTAR	200	203	199	875	9,693	8,076
Total Trucks, Canada	10,099	17,918	10,579	52,739	730,186	685,622
N. American Trucks	82,275	89,069	80,712	371,805	3,696,688	3,748,187

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

OSHA slaps Chrysler on injury data

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Occupational Safety and Health Administration has cited Chrysler Motors' Belvidere, Ill., assembly plant for allegedly failing to report employee injuries.

The company faces a possible $910,000 fine.

OSHA cited Chrysler after an investigator found discrepancies in the company's injury records dating from January 1985 through April 1986. According to OSHA, the inspector, who was investigating a death at the plant, noticed that records indicated an unusually low number of reported injuries for a plant with 3,900 workers.

The agency said it found 182 instances of work-related injuries, including 133 workers' compensation cases, that had not been recorded as required by law. OSHA proposes a $5,000 fine for each of the alleged violations.

Chrysler issued a statement from Dr. Robert H. Brandt, director of the company's occupational safety and health services, that said:

"Although we haven't had an opportunity to review the OSHA charges, we believe that these findings are based on an interpretation of government guidelines on the handling of paperwork. The OSHA charges have to do with record keeping rather than in-plant practices which cause accidents or injuries. Chrysler has an excellent health and safety program in all its plants."

The company has 15 working days, which would be late November, to contest the citations and the proposed penalties. A Chrysler spokesman said the documents were being reviewed and that the company had not yet decided whether to contest the charges.

If the company does not contest the matter, the penalties would be ordered. If Chrysler decides to contest the OSHA charges, the issue will be settled by an administrative judge.

The citations charge Chrysler with willful violations, which OSHA defines as those in which an employer either knew that what was being done constituted a violation or was aware that a hazardous condition existed and made no reasonable effort to eliminate it.

The agency has conducted eight previous inspections of the Belvidere plant, with a similar record-keeping violation reported in 1975.

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Automotive News

November 17, 1986

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IMPORT STALL

Days' supply is highest in 4 years

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

The days' supply of imported cars on Nov. 1 was the highest in almost four years.

A decline in October's sales rate brought the Nov. 1 inventory to a 42-day supply, the highest since the 54-day stockpile on Jan. 1, 1983.

On Oct. 1, the supply was 36 days, and on Nov. 1, 1985, it was 28 days.

Although many of the popular imported makes remain in short supply, the number of unsold cars has risen as importers have built up stocks for the new model year.

October sales dipped a bit from September's, and there were two more selling days in October than in September, which further cut the daily selling rate. Figures on days' supply are based on the selling rate for the most recent month.

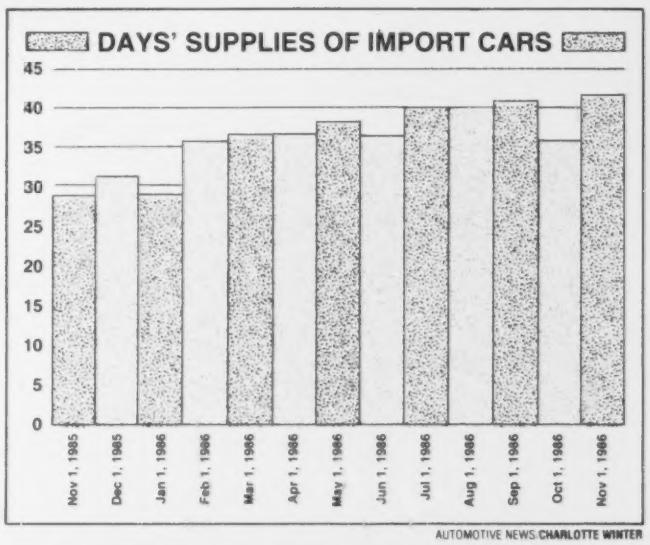
November opened with an inventory of 425,608 imported cars, according to Automotive News estimates. On Oct. 1, the total was 391,724, and on Nov. 1, 1985, it was 276,006.

The number of new imported trucks on hand rose to 186,825 on Nov. 1, compared with 156,731 on Oct. 1 and 97,597 on Nov. 1, 1985.

Truck inventories represented a 69-day supply on Nov. 1, up from 46 a month earlier and 39 a year earlier.

The combined car and truck stockpile on Nov. 1 totaled 612,433

see SUPPLY, page 61



AUTOMOTIVE NEWS CHARLOTTE WINTER

Falling profits in U.S. force Toyota cutbacks

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

TOYOTA CITY, Japan — Toyota Motor Corp. is mounting an intensive cost-cutting drive as it combats yen-dollar exchange rates that have slashed company-wide profitability by two-thirds.

President Shoichiro Toyoda says TMC's Torrance, Calif.-based subsidiary, Toyota Motor Sales U.S.A., is still operating profitably.

But the roughly 50 percent appreciation of the yen against the dollar in the past year has reduced U.S. profits so much that the parent company's profit level projected over the fiscal year ending June 30, 1987, is two-thirds lower than previous-year earnings, said Tsutomu Ohshima, executive vice president-external affairs.

Toyota set up a new standing committee Oct. 13 under Vice Chairman Gentaro Tsuji to coordinate economy efforts and implement the measures after review by the board of directors.

Several are conventional short-term cost-savings tactics like reducing overtime and new hiring, and trimming 1987 capital spending. Most of these conventional

see TOYOTA, page 62

GM and Ford plan production cuts in fourth quarter

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors has scaled back its fourth-quarter production schedule by about 8 percent from its September forecast, apparently in an effort to avoid costly financing incentives.

Ford Motor also has trimmed its schedule by about 8 percent from its September estimate, but the company said it was due to component shortages. Chrysler Motors and American Motors have not changed their fourth-quarter projections.

The four companies combined will produce 120,124 fewer cars in the fourth quarter than they had planned in September. The companies now plan to build 1,783,356 cars in the fourth quarter. The schedules they made in September called for 1,903,480 cars to be built in the fourth quarter. The revised schedule means the four companies will produce 4 percent fewer cars in the fourth quarter of 1986 than they did in the fourth quarter of 1985.

General Motors is leading the pack in production cutbacks. It has pared its fourth-quarter production schedules by 8 percent. GM will produce 1,045,056 cars in the fourth quarter. Its September schedule called for 1,129,880 cars to be built.

GM's present plans mean it will build 11 percent fewer cars in the fourth quarter of this year than in the fourth quarter of 1985. GM built 1,167,931 cars in the year-ago fourth quarter.

GM apparently is holding to the promise it made at the start of the model year that it will cut back production before it offers costly incentives on 1987 models.

GM was forced into a 2.9 percent financing program to get rid of the 1 million 1986 vehicles in its inventory before the start of the new model year. The costly program, which ran from Aug. 28 to Oct. 8, contributed to GM reporting a $338 million operating loss in the third quarter.

Because of slow sales, GM has cut the hourly production rate of the Buick LeSabre from 75 units

see PRODUCTION, page 64

Auto chiefs see reduced sales in '87

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

New-car and truck sales in the United States next year will be 700,000 to one million units less than in 1986, according to chief executives of the nation's three leading a. o companies.

Nearly all of the decline will be in the car market.

Roger B. Smith, General Motors chairman, pegs industry sales in 1987 at 15.3 million units, comprised of 10.6 million cars and 4.7 million trucks.

The 1987 predictions of Ford Motor Co. Chairman Donald E. Petersen and Chrysler Motors Chairman Gerald Greenwald are identical: 15.0 million units, including 10.5 million cars and 4.5 million trucks.

Sales in calendar year 1986 are expected to approximate 16 million units, including nearly 11.5 million cars and more than 4.5 million trucks.

The executives voiced their opinions in this week's Talk From the Top Extra, Automotive News' one-on-one interviews with five of the world's leading auto company officials. Others interviewed were Jacques Calvet, chairman, Peugeot SA, France; and Tadashi Kume, president, Honda Motor Co., Japan.

Noting that "with 2.9 percent car financing, 1986 turned out to hit all kinds of records," Smith said he is reasonably confident 1987 will be a strong year.

But GM's chairman added: "Maybe we'll see a little drop-off in trucks and more in cars."

see FORECAST, page 24

Offshore investment in Canada seen as possible mixed blessing

By Jim Kenzie
STAFF CORRESPONDENT

TORONTO - When the first Accord was assembled Nov. 4 in Honda's new plant in Alliston, Ontario, it ushered in a new era in Canadian car production.

Alliston is not the first Canadian plant to build Japanese cars. Toyota assembled Corollas in Nova Scotia during the late 1960s and early 1970s.

News Analysis

But Alliston is the start of a new wave of offshore investment that by the early 1990s will increase Canadian car-making capacity by more than 400,000 cars — roughly a 30 percent increase.

All of that added capacity will be owned or managed by companies with operations bases outside North America. The scorecard looks like this:

- Honda, 80,000 Accords and Civics at Alliston, Ontario.
- Toyota, 50,000 Corollas at Cambridge, Ontario.
- Suzuki-General Motors joint venture, 200,000 subcompact sedans and sports-utility vehicles at Ingersoll, Ontario.
- Hyundai, 100,000 upscale, front-wheel drive sedans at Bromont, Quebec.
- Under discussion is a joint venture between Daihatsu of Japan and Bombardier, a Canadian manufacturer of snowmobiles, to assemble microcars, probably in the Montreal area.

There are also several components plants, either in place or in the planning stages.

But in no one's wildest dreams will the Canadian car market grow by a corresponding amount in the intervening years. Where, then, will all the extra cars go?

That is the question raised by Moe Closs, president of Chrysler Canada Ltd. "Some of these offshore producers may think they will be able to ship some of this

see CANADA, page 63

Honda's Tadashi Kume and Hiroshi Hayano, in white coats, join Canadian officials in the ribbon cutting ceremony at Honda's new plant in Ontario

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Sales rise 5% in early November Pages 61

Audi seeks to boost image with ad blitz

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Audi of America has launched its most aggressive and expensive model-year advertising campaign amid widespread publicity over its cars' problems with unexpected acceleration.

Bruce Butzier, Audi of America advertising manager, said the current advertising blitz is not designed to address the acceleration problem but to position Audi as one of the "Big Three" German luxury automakers, along with Mercedes-Benz and BMW.

The campaign, called "You're ready for an Audi," names Audi as an alternative to BMW and Mercedes-Benz. Ads will compare pricing and handling.

Audi has increased its advertising budget 25 percent for the 1987 model year, and has placed a heavy emphasis on print. Television advertising will be heavy during the launch period; Audi's fourth-quarter ad spending will increase 60 percent this year.

Though company spokesmen refused to give ad budget numbers, Advertising Age estimates that Audi spent $35-40 million in the 1985 calendar year. Audi spokesmen said its budget will rise $8-10 million in the 1986 calendar year.

Audi's advertising campaign is part of a new marketing strategy designed to boost its image amid reports that some Audi 5000 models equipped with automatic transmissions accelerate unexpectedly.

Audi recalled 200,000 Audi 5000-S units equipped with automatic transmissions in July to install a shift-locking device. Audi said it has been unable to find any mechanical cause for the unexpected-acceleration problem and that most of the incidents are due to driver error. NHTSA is investigating the problem in Audis and other makes. The New York attorney general's office has asked Audi to stop selling 5000s with automatics in the state (Automotive News, Nov. 10).

Increased competition and publicity surrounding the problem are affecting sales. An Audi executive predicted in mid-July that 1986 sales will drop to the mid-60,000 range from 74,061 in 1985.

An ad designed to position Audi as one of the "Big Three" luxury German automakers

To demonstrate Audi's performance, DDB Needham, Audi's advertising agency, has created several television and print advertisements which show the Audi 5000 operating in adverse conditions such as snow, rain and on dirt roads.

In one television spot, the Audi 5000 Turbo Quattro moves quickly in the left lane of the German autobahn during a rainstorm while BMW and Mercedes-Benz models pull aside to slow down. The ad closes, "If it rains where you live, you're ready for an Audi."

In another spot, the Audi 5000 Turbo Quattro climbs a snow-covered ski jump with a 37-degree incline. The ad ends with, "If you're wondering what it can do on a dry highway, you're ready for an Audi."

Audi's dealer advertising spots follow the "You're ready for an Audi" tagline with "and your Audi dealer is ready for you."

Butzier said the Audi 5000 will be used in all national advertising this model year, until the new 4000 series (code named the B-3) is introduced in fall 1987.

Dodge exec to head Audi

Damoose

TROY, Mich. — Volkswagen of America last week named John B. Damoose, former general marketing director for Chrysler Motors' Dodge Division, to the top spot at Audi of America.

Effective today, Damoose replaces Peter Fischer as vice president in charge of the troubled Audi division.

Fisher has been offered a position with responsibility for group advertising, sales promotion and training at Volkswagen AG's world headquarters in Wolfsburg, West Germany.

Fisher has not yet accepted the offer.

"Things happened so fast he hasn't had a chance," said a VWoA spokesman.

Damoose joined Chrysler in 1982 as national merchandising manager for Dodge. In 1984, he was named the division's general marketing manager.

Prior to coming to Chrysler, Damoose put in 10 years at Ford Motor Co., where he held several sales and marketing positions with Lincoln-Mercury Division from 1973 to 1981. In 1981, he was promoted to marketing strategy manager for North American Automotive Operations.

At Audi, Damoose will report to Noel Phillips, president and chief executive of VWoA.

No other executive changes will be made in connection with the Damoose appointment, a VWoA spokesman said.

A Chrysler Motors spokesman said it is not known when a new marketing director for Dodge cars will be named.

"I've heard he's a fast tracker, a high riser," a VWoA spokesman said of Damoose. "We're very impressed with the guy. We're extremely optimistic about the job he'll do."

Damoose will be charged with reversing a year-long sales slide at Audi. Audi sales peaked in 1984 and 1985, when the division's U.S. retail deliveries topped 70,000. But sales have fallen nearly 15 percent in 1986; meanwhile, competing makes have enjoyed increases.

Audi's image has been tarnished greatly in recent months, mainly due to reports of unexpected acceleration from drivers of the division's flagship model, the 5000-S.

Some of the blame for Audi's troubles landed on the shoulders of Fischer, who was chiefly responsible for the division's marketing and public image.

Fisher agreed to be reassigned last month, following discussions between Phillips and Audi AG Chairman Wolfgang Habbel.

At the time, Habbel was in the United States for a series of meetings with dealers to reaffirm Audi's intention to continue its U.S. presence.

Ford benefit program has goal of 25% cut in salaried workforce

By Dave Zoia
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. will offer some North American white-collar staffers up to two years severance pay, extended medical benefits and job search assistance if they volunteer to quit or retire early.

Ford adopted its "golden handshake" plan last month to help make significant cuts in the size of its salaried staff.

The company's goal is to eliminate 25 percent of the more than 50,000 white-collar jobs throughout its North American Automotive Operations by 1989-90. The company already has slashed its salaried head count by about 25 percent during 1980-85, chiefly through normal attrition and layoffs.

This latest round of staff reductions also will be accomplished in part through routine attrition. But Ford is counting on its new voluntary termination program to trim employee rolls further, while avoiding morale-draining layoffs.

"When you have layoffs, there are a number of negative connotations," said W.J. Fish, Ford's manager of management development and personnel recruiting. "First, it's an involuntary thing. It creates an atmosphere of low morale — even among those not affected.

"Then there's a recall obligation and that's not good either," Fish said. "Finally, it is essentially based on seniority. You have to let people go that you've just hired.

"And those are the people that represent the next generation of management 10 to 15 years out."

Ford adopted the voluntary program last month after a successful pilot run in a handful of departments during the past year. About 100 employees opted for voluntary termination during the trial run.

"The pilot program was very well-received," Fish said.

Potentially, the Ford plan is available to all white-collar workers, regardless of age or length of service. But the voluntary termination must be agreeable to both employee and management.

"We simply have to have the ongoing body of salaried employees contain the right mix of ages," Donald E. Petersen, Ford chairman, said in a recent interview. "There's a need to eliminate a lot of positions at the middle levels," he added. "It won't be helpful if we go some route that eliminates all the young people who have fresh skills and keep all the people who aren't showing potential to grow and progress."

According to an internal Ford memo, white-collar workers who terminate under the plan are eligible for the following benefits:

- Between one month's and two years' pay as severance, depending on length of service.
- Continuation of medical and life insurance coverage from one month to one year, also depending on length of service.
- Special early retirement for those who qualify.
- Re-employment assistance.

The chief restriction is that a job position must be eliminated for the terminating employee to qualify for full benefits. However, a worker who quits or retires early from a position that will have to be refilled may only qualify for reduced benefits.

Although Ford plans to trim its white-collar staff throughout its organization, some departments may not offer the program at all.

"Each operation has to do its own manpower planning," Fish explained. "There may be some that never will offer the voluntary termination plan because attrition will take care of the surplus."

Fish stressed the program's voluntary nature. But there could be a few instances where employees with little potential for advancement may be advised to consider the termination plan, he said.

In some cases, employees judged too valuable will not be permitted to quit or retire under the program.

"The voluntary termination plan is a management-driven plan and management reserves the right of refusal," Fish said.

Ford is expected to begin phasing in the program within the next month or two, as each department determines the number of positions it will need to eliminate during the next four years.

Each department is expected to offer the plan only once annually. Ford white-collar workers currently on layoff will not be eligible.

Fish said he wasn't sure what the program would cost Ford.

"I don't know what the final cost will be, because we don't know how many people will participate," he said.

Fish said the Ford program was different from plans offered by other companies, chiefly because it gives department heads four years to map out personnel strategies.

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U.S. model count declines to 289 for 1987

Big 3 trim lineups; industry down 32

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

For the 1987 model year, the Big Three have chopped 45 models out of their passenger-car lineups.

Elsewhere, there was an aggregate gain of 13 by American Motors and the four foreign firms that assemble cars in this country.

The annual Automotive News compilation found 289 domestic models on the market for the new season, a decline of 32 from the 321 offered in the 1986 model year.

The 1987 lineup is not yet complete. Still to come are Chevrolet's Corsica and Beretta and its Camaro convertible; the Dodge Daytona, the Chrysler LeBaron J coupe and convertible and the Oldsmobile 98 Touring Sedan and Toronado Trofeo. There may be more as the campaign moves along.

But for the present, the Big Three have done a creditable job of trimming model totals that ever the manufacturers admit have become unwieldly.

Chrysler Motors made the deepest slashes as it cut its model choices to 34 from 54 a year ago. Ford dumped 11 selections, dropping to 69 from 80. General Motors, which has made the most noise about shaving its model total, was right in the middle with a reduction of 14. GM lists 145 for 1987.

AMC has two more models than it had last year. Volkswagen added a Jetta sedan at its U.S. plant, and Honda now makes a Civic sedan in Ohio. Nissan expanded its lineup of Tennessee-built Sentras, and Toyota has its first U.S.-made car. It is a Corolla from New United Motor Manufacturing Inc., the GM-Toyota joint venture company.

There are new nameplates for 1987, and a number of familiar labels have disappeared. Plymouth Sundance and Dodge Shadow have entered the market, and Cadillac Allante has ben previewed and ballyhooed, although it's not yet on sale. Jetta, Civic and Corolla are new as U.S.-built cars.

Renault Encore bowed out for 1987; all Renaults made in this country now carry the Alliance tag.

Chrysler Laser has departed and so has the Chrysler limousine. Mercury scuttled the sporty Capri line, and the Ford LTD and the Mer-

see MODELS, page 29

Mack chief calls GM a casualty

Curcio details his company's plan for '90s

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

ALLENTOWN, Pa. — John B. Curcio, chairman of Mack Trucks, views General Motors as the first casualty in the highly competitive heavy-duty truck market. He also regards the GM-Volvo venture as a "non-event."

Speaking at a dinner marking delivery of the one-millionth Mack truck, Curcio said the GM-Volvo deal will allow GM to get "out of the heavy-duty truck business" in a "convenient way to minimize (dealer) lawsuits."

"They're giving the outlets a choice," he said. "It's a convenient way to give the better GM dealers a product to sell after they discontinue their heavy trucks."

He reiterated the belief that another maker of heavy trucks would follow suit and effectively get out of the business, given the market's size and number of players.

Meanwhile, Mack is continuing to position itself for the the 1990s.

It is finishing the second year of a five-year, $400 million capital investment program. That money is being spent on new product and increased productivity efforts through new manufacturing technology and upgraded information systems.

Mack is investing in CAD/CAM systems and information systems and parts distribution and customer ordering for parts — "the whole information system of the company," Curcio said.

It also has been closing some plants, relocating the operations of others to a new facility and outsourcing components.

The company also has several new developments, including a new engine and an extended warranty program for its product line (see related story).

Curcio said the cornerstone of Mack's restructuring is the new assembly plant it is building in Winnsboro, S.C. The $80 million, 537,000-square-foot facility is scheduled to be completed in late 1987 and will have a daily capacity of 70 trucks.

When the Winnsboro plant is completed, Mack's Allentown 5C assembly plant will be closed. In 1985, Mack closed two Allentown machining and fabricating plants as part of its outsourcing program.

Meanwhile, Mack plans to outsource more components.

Components it previously made at its two closed Allentown parts facilities have gone to Dana and Sheller-Globe.

Curcio said both companies have agreed to locate facilities near Winnsboro in order to implement a "just-in-time" manufacturing operation.

He also said that at least three other companies have agreed to locate facilities near Winnsboro, but he did not identify them.

Mack has sought to find domestic suppliers who can meet its "just-in-time" requirements, rather than going overseas for components. He said Mack always would be a Pennsylvania company.

The company also has been reducing personnel to boost its profitability. It reduced its non-union labor force from 6,000 in 1979 to 3,500 currently.

Curcio said 700 employees accepted early retirement this year. The company's goal is to reduce its workforce by another 10 percent.

Because of that reduction as well as others resulting from plant closures, the company realized a $20 million pretax savings, he said.

Mack is looking for industry Class 8 sales to be about 110,000 to 115,000 in calendar 1986, down from 133,581 in 1985, and to increase slightly next year.

Mack had a consolidated net loss of $44.8 million for the third quarter of 1986, compared with a net loss of $64.6 million for the corresponding 1985 period.

The most recent quarter's net loss included a $33.7 million pretax provision for the company's special early retirement program for non-bargaining employees.

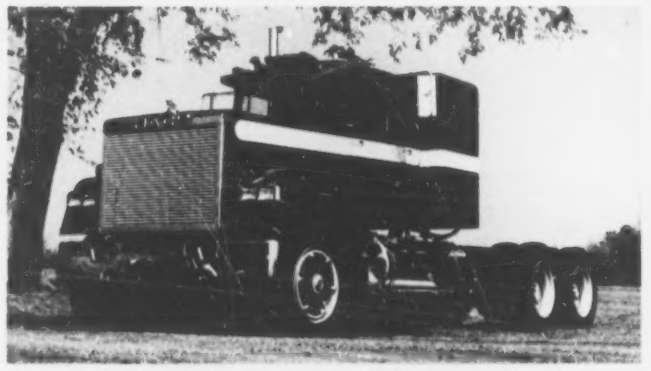
The third-quarter loss included a $70 million pretax provision for the restructuring of the company's vehicle assembly and manufacturing operations.

Net sales in the third quarter totaled $356.2 million, a decline of 17 percent from $428.0 million in 1985.

For the first nine months of 1986, Mack's net loss after extraordinary income totaled $42.0 million, compared with $56.2 million in the 1985 period.

Extraordinary income amounted to $3.4 million and $0.3 million, respectively, for the 1986 and 1985 periods.

Consolidated net sales for the nine months of 1986 were $1.2 billion, down 21 percent from the 1985 period.



The one millionth vehicle produced by Mack since its founding in 1900

SEPTEMBER TRUCK REGISTRATIONS

		6000 & LESS GVW GRP 1	6,001-10,000 GVW GRP 2	10,001-14,000 GVW GRP 3	14,001-16,000 GVW GRP 4	16,001-19,500 GVW GRP 5	19,501-26,000 GVW GRP 6	26,001-33,000 GVW GRP 7	33,001- & OVER GVW GRP 8	TOTAL 1986	TOTAL 1985
DODGE	MO	27,054	15,113							42,167	36,224
	YR	220,328	114,347							334,675	366,630
*DAKOTA, RAIDER, CARAVAN, RAM VAN/CHARGER/50/WGN	MO	22,398	7,295							29,693	24,191
	YR	186,647	70,899							257,546	259,622
PLYMOUTH VOYAGER	MO	7,217								7,217	6,997
	YR	80,865								80,865	76,308
TOTAL CHRYSLER CORP.	MO	34,271	15,113							49,384	45,281
	YR	301,193	114,347							415,540	465,057
FORD	MO	85,175	49,344	2			909	2,122	847	138,399	97,704
	YR	620,879	362,625	2			8,044	22,888	8,248	1,022,686	924,085
*VAN, BRONCO, RANGER & AEROSTAR	MO	58,575	12,116							70,691	44,339
	YR	462,716	111,755							574,471	450,230
FREIGHTLINER	MO								1,953	1,953	1,914
	YR								12,514	12,514	13,856
MERCEDES-BENZ	MO						130	97		227	400
	YR						1,458	1,083		2,541	3,340
TOTAL DAIMLER-BENZ CORP.	MO						130	97	1,953	2,180	2,314
	YR						1,458	1,083	12,514	15,055	17,206
CHEVROLET	MO	79,370	52,132	2,469	32	15	808	679	26	135,531	106,219
	YR	558,851	371,421	21,149	286	214	5,417	7,866	367	965,561	932,229
*VAN, EL CAMINO, S10 BLAZER & ASTRO	MO	56,551	19,948							76,499	56,849
	YR	429,519	137,206							566,725	518,427
GMC	MO	17,410	14,880	226	26	244	880	1,047	905	35,078	30,605
	YR	126,711	103,453	2,090	177	3,003	4,601	14,672	5,568	260,265	259,110
*VAN, JIMMY, S15, CABALLERO & SAFARI	MO	12,039	5,068							17,107	13,409
	YR	94,039	34,129							128,168	119,022
TOTAL GM CORP.	MO	96,780	86,992	2,695	58	259	1,468	1,726	631	170,609	136,824
	YR	665,562	474,874	23,239	463	3,217	10,018	22,538	5,915	1,225,826	1,191,339
INTERNATIONAL	MO						2,471	1,876	2,587	6,934	6,127
	YR						15,279	15,775	19,057	50,111	53,258
JEEP TRUCK	MO	17,859	1,270							19,129	13,005
	YR	124,864	11,735							136,599	119,940
*WRANGLER/CJ's, CHEROKEE, WAGONEER & SCRAMBLER	MO	14,318	1,168							15,486	12,345
	YR	102,336	10,599							112,935	118,018
MACK	MO						220	184	1,252	1,656	1,940
	YR						1,746	1,733	12,709	16,188	22,602
KENWORTH	MO								920	920	1,566
	YR								7,837	7,837	8,442
PETERBILT	MO								844	844	1,157
	YR								7,358	7,358	9,214
TOTAL PACCAR CORP.	MO								1,764	1,764	2,725
	YR								15,195	15,195	17,656
AUTOCAR	MO								116	116	109
	YR								1,306	1,306	1,302
VOLVO	MO							330	105	435	229
	YR							937	797	1,734	1,768
WHITE	MO								741	741	771
	YR								5,413	5,413	6,407
TOTAL VOLVO WHITE CORP.	MO							330	962	1,292	1,109
	YR							937	7,516	8,453	9,477
WESTERN STAR	MO								38	38	78
	YR								704	704	869
MISCELLANEOUS DOMESTIC	MO		276					4	198	478	552
	YR		2,486					81	1,637	4,207	4,421
OTHER IMPORTS	MO	90,168	557	421	60	25	31	81	8	91,348	82,183
	YR	693,146	7,449	4,298	573	233	235	572	38	706,544	657,312
GRAND TOTAL	MO	324,250	133,552	3,118	118	284	5,229	6,420	10,240	483,211	399,822
	YR	2,425,844	973,518	27,539	1,036	3,450	36,780	65,607	83,534	3,617,108	3,463,801
1985 YR. TO DATE		2,248,136	999,221	28,159	674	5,054	42,389	57,883	102,505		

INCLUDES MULTIPURPOSE VEHICLES. Compiled from official State Records by R.L. Polk & Co. Manufacturers' sales records are used in compiling Oklahoma for 1985 and 1986. Registrations for Massachusetts are temporarily delayed.

Mack offers new diesels, longer warranty coverage

ALLENTOWN, Pa. — Mack Trucks has a new diesel engine series for its heavy-duty trucks and new extended warranties that increase its three-year/300,000-mile coverage to five years or 500,000 miles in some cases.

The new engines, offered under the Maxidyne name, are called Maxidyne Plus.

They are six-cylinder powerplants, available in 250-, 275- and 300-horsepower versions.

The engines, available on new Class 8 trucks, are designed to control torsional vibrations, considered the primary challenge to reducing governed rpm in high-torque-rise engines.

Having solved that problem, Mack is able to offer five- and six-speed overdrive transmissions with the powerplants.

The extended warranty plans will be available Jan. 1.

The plans are being marketed under the "Bulldog Protection Plan" in five packages.

The first package extends Mack's present warranty to five years or 500,000 miles.

A second plan provides coverage of five years or 500,000 miles on parts only.

A third plan extends the present warranty to five years or 300,000 miles and is desgined for customers who do not accumulate mileage at typical rates.

A fourth plan extends the present two year Mid-Liner powertrain warranty on medium-duty highway vehicles to five years or 300,000 miles.

The last plan offers contract maintenance coverage on as much or as little of the vehicle as the customer desires.

SERVICE MANAGEMENT

Electronics gain importance in servicing heavy trucks

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Automobile technicians have had to learn to repair electronic components during the last several years, and diesel and truck technicians will have to acquire the same skills in the near future.

The heavy-truck industry has lagged behind the auto industry in the introduction of electronic engine and vehicle controls. However, new emission regulations and advances in technology are encouraging manufacturers of trucks and diesel engines to incorporate electronics in their products.

For the 1987 model year, Detroit Diesel Allison introduced an electronic engine control system for its Silver 92 Series engines. The Detroit Diesel Electronic Control system has engine diagnostic capabilities that allow a mechanic to plug in a hand-held malfunction reader. Such devices are now common for automobiles.

Freightliner recently introduced an electronic engine shutdown option for its FL-112 Class 8 conventional tractor. The company said the microprocessor-based unit is the first step in its move to introduce electronic control devices.

The use of electronics in lighter commercial vehicles also will increase in the near future, particularly as electronic fuel injection becomes available on gas-powered models.

Caterpillar Tractor Co. plans to introduce a programmable electronic engine control system on its 3406B over-the-road, heavy-duty diesel engine next April.

The programmable system will allow a technician to change such variables as the vehicle's top speed and its cruise-control limit as well as the engine power rating. It will also include a data link that can be attached to trip recording devices, instrument-panel systems and other devices which can take advantage of the control system data.

Caterpillar plans to train its dealer training instructors, dealer technical communicators and truck shop foremen. The instructors

A Detroit Diesel technician uses diagnostic gear

train truck-dealer mechanics, and the communicators are the technical liaison between Caterpillar and its dealers.

Next March or April, the company will conduct 31 field schools to train the instructors, communicators and foremen of its 85 dealers.

Before the Caterpillar personnel attend the schools, they must take an aptitude test and must be trained in basic electrical troubleshooting. The basic training materials are available in the Caterpillar training system, but no formal classes are scheduled.

Frank Kelton, supervisor of the service training area for Caterpillar Engine Division said, "The experience in the auto industry is that not just anybody is equipped to work on electronic systems. With the aptitude test, we will try to manage the selection of electronic engine control technicians."

George D. Aravosis, vice president of marketing, sales, planning for Navistar International Corp.'s Engine and Foundry Division, said, "Electronics will allow technicians to plug in diagnostic equipment and repair an engine in cookbook fashion. . . . Any new product needs some training. But, how much training do you need to hook two connectors together and get a reading on a scope?"

Aravosis also predicted that electronics will "intimidate" some technicians. But he compared the inevitable introduction of electronics to the introduction of diesel engines.

"When we introduced diesels to the marketplace years ago," he said "the concern was, 'My mechanic is a gasoline engine mechanic. How do I get him to work on diesels?' But what is peculiar to a diesel? Injection nozzles and an injection pump. Most of the engine is the same."

Because trucks often are sold in quantity to fleets, the fleets often have their own maintenance facilities.

Ryder Truck Rental, with some 120,000 trucks in its fleet, decided it couldn't wait for the truck manufacturers and suppliers to design training programs for truck electronics.

Lynn Gorman, vice president of maintenance, said, "We were quite concerned with the cultural shock the technology would produce and the skills that would be needed to cope with the new technology."

Electronics, he noted, have arrived on 1987-model gasoline trucks and will soon arrive on big diesel vehicles. Gorman said the electronic engine management systems on diesel engines open up a whole world of possibilities for electronic controls throughout the truck.

Electronic instrument panels, driver monitoring and control functions, and tie-ins with transmission controls are just some of the likely outgrowths of engine management controls. Also, electronic chassis controls, including anti-lock brakes, are likely to be seen on trucks soon.

Gorman said, "We have been blazing a trail. Two years ago, I went to my peers, the operating officers, and said, 'I want $1.5 million over the next two years to invest in training on the new systems.' "

The officers complied and, in fact, the figure has since risen to $2 million.

Ryder wanted to train 1,900 of its mechanics, about two per branch.

Gorman said, "We wanted to train bumper-to-bumper electronic technicians."

He added, "The reason we started training early is that we had so many people to train. We are not saying those behind us won't get there. At 2,000 trucks in your fleet, you don't need the leadtime. But we realized Ryder couldn't train 1,900 technicians overnight when the technology becomes available."

As for the technicians who are selected for the training, Gorman said, "We don't select those who are resistant to change. We don't select guys who are good with a blowtorch and hammer. They have to be curious people, and they also have to pass a pre-test."

Ryder first hired two outside trainers to develop an electronic training program. The company found them inadequate. Then, Ryder took two trainers from its staff and gave them a three-month sabbatical to visit suppliers of truck electronics.

The trainers developed a three-part program. In the first part, technicians learn electronic basics in a one-week course at the company's facilities in Atlanta or Denver.

Then, the technicians participate in a 10-part correspondence course during a one-year period. Finally, when they have completed the first two phases of the program, the technicians go back to school for a one-week practical training course.

Six months into the program, the two trainers took another three-month sabbatical to gather more information. The electronic manufacturers had not developed training aids, so the trainers used the information garnered during the sabbatical to design and build their own.

Gorman said, "Because we are blazing the trail, we have accommodated some of the people who are behind us. We have allowed them to go through the course — officials from engine companies, truck suppliers and training schools — to see how we do it."

To date, about 1,250 technicians have been through phase one of the Ryder training program, and the company has "manufactured 350 electronic technical specialists," according to Gorman.

Service volume rises after a slow August

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships in September rebounded from an end-of-summer lull.

It showed an increase over the year-earlier month, and the gain was the second-highest of the year, trailing only the June advance.

Service volume for the first nine months of 1986 outpaced the volume during the corresponding 1985 period.

The Automotive News Service Index found that shop business at dealerships in September amounted to 111.4 percent of the volume recorded in September 1985.

September was the sixth straight month in which service volume topped that of the year-ago month.

The year's largest increase occurred in June, when service volume amounted to 114.3 percent of the volume recorded in June 1985.

In the first nine months of 1986, service volume was 105.7 percent of that in the same 1985 period.

In August 1986, the Service Index amounted to only 102.6 percent of the volume in August 1985. Industry sources tied the August lull to slow new-car sales during the month. Customers often have their old cars repaired before buying new ones, the sources said.

Also, many dealers and service managers said, customers traditionally hold back before the opening of a school year.

The industry experts predicted service volume would increase in September as a result of incentive-motivated sales. They also predicted that service volume would be strong through October as the new cars bought the previous month would be brought back for warranty work. At this point, it appears that the predictions were accurate.

A midwestern Chevrolet dealer said, "more used cars were traded in and there were more new cars to service as a result of the factory incentives."

A Northeast Chevrolet dealer said, "We were swamped with new-car and truck preparation work."

An Eastern Buick dealer also tied the increase in service volume to the low finance rates as well as special offers to service customers.

A Midwest Ford dealer said, "We added mechanics. There has always been plenty of work, but not enough people to do it all."

In September, total labor sales (customer paid and warranty) showed a gain of 13.4 percent.

Sales of all parts and accessories were up 13.0 percent; gross profit on all labor parts and accessories sales climbed 12.1 percent; shop parts sales (customer paid and warranty) were up 11.4 percent; and repair orders written were up 7.0 percent.

In addition, parts and accessories sales to off-premises customers were up 14.1 percent in September.

Total labor sales registered the biggest gain for the first nine months of 1986, climbing 9.4 percent over the 1985 period. Gross profit on labor, parts and accessories sales was up 7.3 percent through September; shop parts sales increased 7.0 percent; sales of all parts and accessories rose 3.9 percent; and repair orders written climbed 0.9 percent.

Parts and accessories sales to off-premises customers were up 1.2 percent through September 1986.

SERVICE INDEX
111.4★

	September, '86 vs. September, '85	9 mos., '86 vs. 9 mos., '85
Gross Profit on All Labor and P&A Sales	+12.1%	+7.3%
Repair Orders Written	+7.0%	+0.9%
Total Labor Sales (Customer & Warranty)	+13.4%	+9.4%
Shop Parts Sales (Customer & Warranty)	+11.4%	+7.0%
Sales of All P&A	+13.0%	+3.9%

★—Survey by Automotive News shows that dealers' service and parts business in September, 1986, was 111.4 percent of business in September, 1985. Service business in the first 9 months of 1986 was 105.7 percent of business in the corresponding period in 1985.

Buick's computer system supplies all the ANSWERS

SHOP TALK

ARTHUR FLAX

ANSWERS, Buick Motor Division's new computer service, is designed to sort out service information stored in the company's many computer data banks.

ANSWERS stands for Analytical Service Warranty Engineering Reporting System. It can identify service trends or work on a particular service problem from within Buick's service data bases.

Tom LaSorda, manager of customer satisfaction and engineering activities, said ANSWERS can "balance customer information with technical information."

He said a customer might complain about having to make more than one trip to a dealership to have a problem corrected. A dealer might be more concerned with the technical aspects of a repair.

Within ANSWERS is a library of standard reports used by Buick assembly plant managers, product design teams and top management.

The system can also provide ad hoc reports on service problems by searching through the Buick data bases.

LaSorda said, "A data technician might be asked for example, 'Can you tell me the power window failure rate on a certain model?' The technician can search through the data bases in 30 minutes to one hour."

Information contained in the data bases comes from the Buick technical assistance center (TAC), customer assistance center (CAC), service engineering analysis, internal quality index, company garage information, marketing information, J.D. Power & Associates and the Customer Satisfaction Index.

TAC is a toll-free hotline for technicians' questions, and CAC is a similar hotline for customers' questions.

Buick may be getting a reputation for innovation. It is also the first General Motors division to offer the IBM PC-based Computerized Automotive Maintenance System, a diagnostic tool that can instruct a technician and also can transmit dealership repair data to Buick headquarters in Flint.

There are plans for CAMS to become integrated into the ANSWERS system, according to LaSorda.

ANSWERS is a joint project between Buick and Electronic Data Systems.

1987 U.S. MODELS BY MAKE

	4-Door Models	2-Door Models*	Convert-ibles	4-Door Wagons	1987 Totals	(Final 1986 Totals)
AMERICAN MOTORS-RENAULT**	6	8	3	2	19	(17)
AMC Eagle	1	0	0	2	3	(3)
Renault Alliance	5	8	3	0	16	(8)
Renault Encore	0	0	0	0	0	(6)
CHRYSLER MOTORS	22	9	0	3	34	(54)
Chrysler 5th Avenue	1	0	0	0	1	(1)
Laser	0	0	0	0	0	(3)
LeBaron	1	0	0	1	2	(6)
LeBaron GTS	2	0	0	0	2	(2)
Limousine	0	0	0	0	0	(1)
New Yorker	1	0	0	0	1	(1)
Dodge Diplomat	2	0	0	0	2	(2)
Aries	2	2	0	1	5	(8)
Charger	0	2	0	0	2	(3)
Daytona	0	0	0	0	0	(2)
Dodge 600	2	0	0	0	2	(5)
Lancer	2	0	0	0	2	(2)
Omni	1	0	0	0	1	(3)
Shadow	1	1	0	0	2	(0)
Plymouth Gran Fury	1	0	0	0	1	(1)
Caravelle	2	0	0	0	2	(2)
Horizon	1	0	0	0	1	(2)
Reliant	2	2	0	1	5	(8)
Sundance	1	1	0	0	2	(0)
Turismo	0	1	0	0	1	(2)
FORD MOTOR CO.	24	29	2	14	69	(80)
Ford LTD Crown Victoria	2	2	0	4	8	(8)
Escort	1	3	0	1	5	(8)
Escort EXP	0	2	0	0	2	(2)
LTD	0	0	0	0	0	(3)
Mustang	0	3	2	0	5	(6)
Taurus	4	0	0	4	8	(8)
Tempo	4	4	0	0	8	(4)
Thunderbird	0	4	0	0	4	(3)
Lincoln	3	0	0	0	3	(3)
Continental	2	0	0	0	2	(2)
Mark VII	0	3	0	0	3	(3)
Mercury Grand Marquis	2	1	0	2	5	(5)
Capri	0	0	0	0	0	(2)
Cougar	0	2	0	0	2	(3)
Lynx	1	3	0	1	5	(8)
Marquis	0	0	0	0	0	(4)
Sable	2	0	0	2	4	(4)
Topaz	3	2	0	0	5	(4)
GENERAL MOTORS	55	63	5	22	145	(159)
Buick LeSabre	3	2	0	1	6	(5)
Electra	3	1	0	1	5	(6)
Century	2	2	0	2	6	(7)
Regal	0	2	0	0	2	(4)
Riviera	0	1	0	0	1	(2)
Skyhawk	2	3	0	2	7	(10)
Somerset/Skylark	2	2	0	0	4	(5)
Cadillac DeVille-Fleetwood	3	1	0	0	4	(4)
Allante	0	0	1	0	1	(0)
Brougham	1	0	0	0	1	(1)
Cimarron	1	0	0	0	1	(1)
Eldorado	0	1	0	0	1	(1)
Limousine	2	0	0	0	2	(2)
Seville	1	0	0	0	1	(1)
Chevrolet Caprice	4	1	0	2	7	(5)
Camaro	0	2	0	0	2	(3)
Cavalier	3	6	1	3	13	(13)
Celebrity	1	1	0	2	4	(4)
Chevette	1	1	0	0	2	(2)
Corvette	0	1	1	0	2	(2)
Monte Carlo	0	3	0	0	3	(3)
Nova	2	0	0	0	2	(2)
Oldsmobile Delta 88	2	2	0	1	5	(5)
Ninety-Eight	2	1	0	0	3	(4)
Calais	2	2	0	0	4	(4)
Cutlass Ciera	2	2	0	2	6	(7)
Cutlass Supreme	2	3	0	0	5	(5)
Firenza	2	4	0	1	7	(7)
Toronado	0	1	0	0	1	(1)
Pontiac Bonneville	2	0	0	1	3	(3)
Fiero	0	4	0	0	4	(4)
Firebird	0	2	0	0	2	(3)
Grand Am	3	3	0	0	6	(6)
Grand Prix	0	3	0	0	3	(4)
Parisienne	0	0	0	0	0	(3)
Pontiac 1000	1	1	0	0	2	(2)
Pontiac 6000	4	1	0	3	8	(9)
Sunbird	2	4	2	1	9	(9)
HONDA**	4	2	0	0	6	(5)
Accord	3	2	0	0	5	(5)
Civic	1	0	0	0	1	(0)
NISSAN**	3	5	0	2	10	(3)
Sentra	3	5	0	2	10	(3)
TOYOTA**	0	2	0	0	2	(0)
Corolla FX-16	0	2	0	0	2	(0)
VOLKSWAGEN**	2	2	0	0	4	(3)
Golf/GTI	1	1	0	0	2	(2)
GTI	0	1	0	0	1	(1)
Jetta	1	0	0	0	1	(0)
1987 TOTALS	116	120	10	43	289	
1986 TOTALS (end of model year)	119	144	13	45		(321)

*Two-door models include hatchbacks, which some makers list as three-door models.
**Totals for Renault, Honda, Nissan, Toyota and Volkswagen include only U.S.-built models.

MODELS

FROM PAGE 3

cury Marquis now are officially out of the field. Ford Motor halted production of those models when Taurus and Sable arrived, but LTD and Marquis stayed in the 10-day sales reports throughout the 1986 model year.

Pontiac's Parisienne has departed, and its Bonneville ain't what it used to be. The 1986 Bonneville was a rear-wheel-drive intermediate; the 1987 Bonneville is a rear-wheel-drive standard-sized car. It is Pontiac's version of the Buick LeSabre and Oldsmobile Delta 88.

Chrysler Motors trimmed its two-door ranks heavily, knocking out all five of its convertibles and nine of its 18 coupes. The return of Daytona and the arrival of the LeBaron J will boost the two-door choices, but Chrysler — unlike Ford and GM — is pretty much a purveyor of four-door sedans for 1987.

GM also cut into its two-door ranks, eliminating 16 coupes. Ford bounced four.

The 1987 chart shows 116 domestic four-door sedans compared to 119 last year. But the coupe total has dropped to 120 from 144.

The 1987 story isn't entirely a tale of chopping models. The eight major companies that make cars in the United States added 38 models for 1987 and dropped 70 for a net decline of 32.

Strangely, the biggest reduction in the model total occurred in the best-selling category of domestic cars — the intermediates. There are 78 mid-sized choices for 1987, down from 98 in 1986. There were lesser cuts in the compact and subcompact and luxury segments and a minor rise in the standard-sized group.

Ford Division, with 40, has the most models for 1987. Next in line are Pontiac, 37; Chevrolet, 35; Buick, 31; Oldsmobile, 31; and Mercury, 21.

Pontiac was the 1986 leader with 43 choices, followed by Ford, 42; Buick, 39; Chevrolet, 34; Oldsmobile, 33; Mercury, 30; and Dodge, 25.

The Automotive News analysis includes all models the makers are pricing or merchandising individually. It does not include engine or transmission options.

MODELS: 1942-'87

Number of models offered by U.S. auto makers, 1942 to 1987:

1942	276	1966	368
1946	160	1967	370
1947	182	1968	368
1948	201	1969	365
1949	205	1970	375
1950	243	1971	341
1951	243	1972	297
1952	224	1973	304
1953	210	1974	302
1954	240	1975	325
1955	216	1976	294
1956	232	1977	275
1957	245	1978	259
1958	263	1979	268
1959	239	1980	252
1960	244	1981	278
1961	260	1982	307
1962	298	1983	298
1963	336	1984	305
1964	336	1985	295
1965	348	1986	321
		1987	289

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1987 U.S. MODELS BY MARKET CLASS

	4-Door Models	2-Door Models*	Convert-ibles	4-Door Wagons	1987 Totals	(Final 1986 Totals)
SUBCOMPACTS**	20	36	3	4	63	(68)
Accord+	0	0	0	0	0	(5)
Alliance	5	8	3	0	16	(8)
Charger	0	2	0	0	2	(3)
Chevette	1	1	0	0	2	(2)
Civic	1	0	0	0	1	(0)
Corolloa FX-16	0	2	0	0	2	(0)
Daytona	0	0	0	0	0	(2)
Encore	0	0	0	0	0	(6)
Escort	1	3	0	1	5	(8)
Escort EXP	0	2	0	0	2	(2)
Fiero	0	4	0	0	4	(4)
Golf	1	1	0	0	2	(2)
GTI	0	1	0	0	1	(1)
Horizon	1	0	0	0	1	(2)
Laser	0	0	0	0	0	(3)
Lynx	1	3	0	1	5	(8)
Nova	2	0	0	0	2	(2)
Omni	1	0	0	0	1	(3)
Pontiac 1000	1	1	0	0	2	(2)
Sentra	3	5	0	2	10	(3)
Shadow	1	1	0	0	2	(0)
Sundance	1	1	0	0	2	(0)
Turismo	0	1	0	0	1	(2)
COMPACTS**	27	36	5	12	80	(87)
Accord+	3	2	0	0	5	(0)
Aries	2	2	0	1	5	(8)
Camaro	0	2	0	0	2	(3)
Capri	0	0	0	0	0	(2)
Cavalier	3	6	1	3	13	(13)
Cimarron	1	0	0	0	1	(1)
Eagle	1	0	0	2	3	(3)
Firebird	0	2	0	0	2	(3)
Firenza	2	4	0	1	7	(7)
Jetta	1	0	0	0	1	(0)
LeBaron	1	0	0	1	2	(6)
Mustang	0	3	2	0	5	(6)
Reliant	2	2	0	1	5	(8)
Skyhawk	2	3	0	2	7	(10)
Sunbird	2	4	2	1	9	(9)
Tempo	4	4	0	0	8	(4)
Topaz	3	2	0	0	5	(4)
INTERMEDIATES	33	30	0	15	78	(98)
Bonneville++	0	0	0	0	0	(3)
Calais	2	2	0	0	4	(4)
Caravelle	2	0	0	0	2	(2)
Celebrity	1	1	0	2	4	(4)
Century	2	2	0	2	6	(7)
Cougar	0	2	0	0	2	(3)
Cutlass Ciera	2	2	0	2	6	(7)
Cutlass Supreme	2	3	0	0	5	(5)
Dodge 600	2	0	0	0	2	(5)
Grand Am	3	3	0	0	6	(6)
Grand Prix	0	3	0	0	3	(4)
Lancer	2	0	0	0	2	(2)
LeBaron GTS	2	0	0	0	2	(2)
LTD	0	0	0	0	0	(3)
Marquis	0	0	0	0	0	(4)
Monte Carlo	0	3	0	0	3	(3)
New Yorker	1	0	0	0	1	(1)
Pontiac 6000	4	1	0	3	8	(9)
Regal	0	2	0	0	2	(4)
Sable	2	0	0	2	4	(4)
Somerset/Skylark	2	2	0	0	4	(5)
Taurus	4	0	0	4	8	(8)
Thunderbird	0	4	0	0	4	(3)
STANDARD SIZE	18	8	0	11	37	(34)
LeSabre	3	2	0	1	6	(5)
Caprice	4	1	0	2	7	(5)
Diplomat	2	0	0	0	2	(2)
LTD Crown Victoria	2	2	0	4	8	(8)
Grand Marquis	2	1	0	2	5	(5)
Delta 88	2	2	0	1	5	(5)
Gran Fury	1	0	0	0	1	(1)
Bonneville++	2	0	0	1	3	(0)
Parisienne	0	0	0	0	0	(3)
LUXURY	18	10	2	1	31	(34)
Allante	0	0	1	0	1	(0)
Electra	3	1	0	1	5	(6)
Cadillac Brougham	1	0	0	0	1	(1)
Deville-Fleetwood	3	1	0	0	4	(4)
Cadillac Limousine	2	0	0	0	2	(2)
Fifth Avenue	1	0	0	0	1	(1)
Chrysler Limousine	0	0	0	0	0	(1)
Continental	2	0	0	0	2	(2)
Corvette	0	1	1	0	2	(2)
Eldorado	0	1	0	0	1	(1)
Lincoln	3	0	0	0	3	(3)
Mark VII	0	3	0	0	3	(3)
Oldsmobile 98	2	1	0	0	3	(4)
Riviera	0	1	0	0	1	(2)
Seville	1	0	0	0	1	(1)
Toronado	0	1	0	0	1	(1)
1987 TOTALS	116	120	10	43	289	
1986 TOTALS (end of model year)	119	144	13	45		(321)

*Two-door models include hatchbacks, which some makers list as three-door models.
**In the Subcompact and Compact listings, totals include only U.S.-built models for Renault Alliance and Encore; Honda Civic and Accord; Nissan Sentra; Toyota Corolla; and Volkswagen Golf, GTI and Jetta.
+Honda Accord was classified as a subcompact for 1986. It is classified as a compact for 1987.
++1986 Bonneville was an intermediate; 1987 Bonneville is a standard-size car.

AUCTION DATES

American Motors

Nov. 18 — Aptco Auto Auction, Taylor, Mich., and D-A Auto Auction, New Stanton, Pa.

Nov. 19 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Nov. 20 — Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind.; and Northway Exchange, Clifton Park, N.Y.

Nov. 25 — High Point Auto Auction, High Point, N.C.

Nov. 26 — Columbus Fair Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Chrysler Corp.

Nov. 18 — Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Nov. 19 — Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

Nov. 20 — Fredericksburg Auto Auction, Fredericksburg, Va.

Nov. 21 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Nov. 25 — Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit; and Dallas Auto Auction (special sale), Dallas

Nov. 26 — Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; and Minneapolis Auto Auction, Plymouth, Minn.

Ford Motor Co.

Nov. 18 — South Seattle Auto Auction, Kent, Wash.

Nov. 19 — Columbus Fair Auto Auction, Obetz, Ohio, and Brasher's Southern California Auto Auction, Fontana, Calif.

Nov. 20 — Denver Auto Auction, Englewood, Colo.; Houston Predelivery Center, Houston; and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Nov. 25 — Harrisonburg Auto Auction, Harrisonburg, Va.

General Motors

Nov. 18 — Southern Auto Auction, East Windsor, Conn.; Big H Auto Auction, Houston; and Harrisonburg Auto Auction, Harrisonburg, Va.

Nov. 19 — Clanton's Auto Auction, Darlington, S.C.; Golden Gate Auto Auction, Fremont, Calif.; Indianapolis Auto Auction, Indianapolis; and Brasher's Salt Lake Auto Auction, Salt Lake City

Nov. 20 — Butler Auto Auction, Gibsonia, Pa.

Used Car Sales
Auction Averages

November to date	$5,172
Month ago	$5,196
Year ago	$4,648

Model Breakdown
Auction Averages

	NOV 1986	OCT 1986	SEP 1986
1986	$11,451	$11,574	$11,846
1985	$8,339	$8,414	$8,472
1984	$6,198	$6,215	$6,221
1983	$5,427	$5,442	$5,459
1982	$4,193	$4,216	$4,261
1981	$3,254	$3,277	$3,333
1980	$2,394	$2,424	$2,463
1979	$2,069	$2,086	$2,109
Overall Average	$5,172	$5,196	$5,206

Kruse family regains control of auction firm

AUBURN, Ind. — The Kruse family has regained control of Kruse International, the classic-car auction house, from ITT Corp., which had owned it for seven years. Terms of the sale were not disclosed.

Kruse Inc. is owned by Mitchell D. Kruse. The company named Dean V. Kruse national sales manager and chief auctioneer. Dean is Mitchell's father.

A Kruse spokesman said the sale, which was in the works for two months, followed some tense moments between Dean Kruse and executives of ITT Auction Service.

"Mr. Kruse didn't want the company to be owned by someone else," the spokesman said.

The Kruse family entered the auto auction business in 1938.

AUCTION DIRECTORY

Display Rates: $88.00 per column inch (minimum space 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type—1 time, $28.00; 13 times, $26.00; 26 times, $24.00; 52 times, $20.50. For Frequency Display Rates contact Classifieds, Automotive News, 1400 Woodbridge, Detroit, Mich. 48207. Phone (313) 446-6065. Closing: 12 days in advance.

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Gulf Coast Auto Auction, 1319 61st Ave. E., Bradenton, Fla. 34203. 813-756-8478. Complete service fleet & lease accounts. Contact: J. Omar Landis, Henrietta Letty.

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ILLINOIS

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INDIANA

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GM will call shots on 1987 incentives

By Michelle Krebs, Laura Clark and Dave Zoia
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Dealers across the country remain in the dark about whether the manufacturers plan to launch a new round of financing incentives.

The dealers, as well as consumers and other automakers, are waiting to see what General Motors does. And they are getting mixed signals.

Some dealers believe GM will stick to its vow of staying away from incentives on 1987 models. GM Chairman Roger B. Smith and President F. James McDonald have said GM will cut production rather than offer incentives.

Some dealers contacted by Automotive News said they believe GM will keep its promise. They point to GM's recent production cutbacks and new lease programs as indications that GM will not offer low-interest-rate financing incentives.

GM recently announced it will cut the hourly production rate on its slow-selling Buick LeSabre models. The cutback means the indefinite layoff of 1,300 workers at the Buick City complex in Flint, Mich., which produces the cars. Since September, GM has scaled back its overall fourth-quarter production schedule by 8 percent.

GM also has launched a new lease program, with attractive monthly rates. It runs through Dec. 31. GM is backing the program with a substantial advertising outlay.

"They've stuck longer without incentives than I thought they would," said Jim Caplinger, who has Chevrolet, Oldsmobile and Chrysler franchises in England, Ark. "They told us they were going cold turkey, and I believe that's what they're going to do. I didn't believe them before."

Other dealers said slow sales and high inventories will force GM to offer incentives.

GM's sales for the first 10 days of November were off 5 percent from the 1986 period. GM had a 68-day supply of new cars as of Nov. 1, compared with a 73-day supply Nov. 1, 1985, and a 36-day supply Oct. 1 of this year, which was near the end of GM's 2.9 percent financing program.

A number of dealers handling a variety of makes said they hoped incentives would return. Customers have become accustomed to incentives and aren't buying without them, they said.

Meanwhile, rumors of impending incentive programs are rampant. The rumors leave consumers wondering if they should buy now or wait for the next round of incentives. Dealers wonder what to tell their customers.

If a customer buys now and an incentive program is announced next week, a loyal patron could be lost for good, thinking the dealer had deceived him.

"Consumers think we know in advance, but we find out from the newspapers," said W.L. "Mac" McCulloh, a Cadillac, Oldsmobile and Honda dealer in Ardmore, Okla.

"All you can do is tell the customer what you know," said George Glassman, of Glassman Oldsmobile, Southfield, Mich. "There's no program now. GM hasn't announced one, and we don't know if one will be announced."

Nevertheless, Glassman said he wishes GM would say if incentives are on or off, to clear up the confusion.

McCulloh, a member of the Cadillac dealer council, said he plans to recommend to that group that GM outline a plan for incentives at the beginning of the year and stick to it so the market doesn't bounce like a yo-yo.

"It's killing us," he said. "We lose more than we gain because of the drop-off after incentives go off."

Dealers say that not knowing the prospects for incentives makes it difficult for them to forecast, regulate their inventories and make expansion plans.

Import incentives begin to rear their heads

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

The first cracks are appearing in Japanese importers' resistance to joining domestic automakers in offering rebates or low-interest loans on passenger cars.

Toyota dealers in four states started offering $600 cash rebates on 1986 Toyota cars, vans and trucks last week. The offer is backed by Gulf States Toyota, distributor for Toyota Motor Sales U.S.A. in Texas, Oklahoma, Mississippi, Arkansas and Louisiana. The rebate is not available in Louisiana because of state law.

While not a national program, it is the first time rebates have been offered on Toyota cars.

American Isuzu Motors is offering rebates or low-interest loans on 1986 cars through Nov. 30. With a 79-day supply of 1986 models nationally, Isuzu will pay a $500 rebate on I-Marks and $750 on Impulses. Instead of the rebate, purchasers may choose a 30-month loan at 5.9 percent or a 48-month loan at 7.9 percent.

Through Nov. 30, Mitsubishi Motor Sales of America is conducting a $200-per-car dealer-incentive program (plus another $200 if sales objectives are met). Many dealers are converting the program into subsidized-rate consumer loans through Mitsubishi Acceptance Corp.

Sales incentives of all types have been common on Japanese-brand trucks for years, but truck imports are not restricted as Japanese car imports are, and domestic automakers are competing aggressively in the compact truck segment.

Most Japanese importers say they have no plans for consumer incentives on cars. But in view of currency exchange rates that have eliminated much of the Japanese price advantage, importers acknowledge it would be difficult to ignore any such move by a major importer.

DOMESTIC SALES

	Nov. 1-10, 1986	Nov. 1-10, 1985
Renault		
Alliance-Encore	975†	2,000†
AMC	145†	300†
AMERICAN MOTORS	1,120	2,300
Chrysler	4,829	6,857
Plymouth	6,709	5,651
Dodge	9,643	8,387
CHRYSLER CORP.	21,181	20,895
Ford	27,822	21,414
Mercury	8,687	6,684
Lincoln	4,983	3,150
FORD MOTOR CO.	41,492	31,248
Buick	12,893	12,870
Cadillac	5,700	5,000
Chevrolet	28,135	34,522
Oldsmobile	20,250	21,024
Pontiac	15,751	13,808
GENERAL MOTORS	82,729	87,224
VOLKSWAGEN	831	1,120
HONDA	6,055	2,883
NISSAN	1,657	1,300
U.S. INDUSTRY TOTAL	155,065	146,970

†—Estimate

Sales rise 5% for Nov. 1-10

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales for the first 10 days of November totaled 155,065, up 5.51 percent over the year ago period's 146,970.

But this year's post-incentive total was a far cry from the record 289,056 cars sold during the period in 1971.

Honda posted the biggest percentage gain during this year's period, with an upturn of 110.02 percent. Ford Motor Co. was next, with a 32.78 percent increase, followed by Nissan, up 27.46 percent, and Chrysler Motors, up 1.37 percent.

American Motors' sales fell 51.30 percent from the year-ago period; Volkswagen's declined 25.80 percent; and General Motors' dropped 5.15 percent.

SUPPLY

FROM PAGE 1

vehicles, which was 11.67 percent higher than the 548,455 on Oct. 1 and 64.21 percent above the year-earlier total of 373,603.

Days' supply for cars and trucks combined was 48 on Nov. 1, compared with 39 on Oct. 1, and 30 on Nov. 1, 1985.

On Nov. 1, import-car inventories were divided this way: Japan, 71.40 percent; West Germany, 18.17 percent; and other countries, 10.43 percent.

A month ago, the shares were: Japan, 73.26 percent; Germany, 19.47; and other countries, 7.27.

All inventory figures in this article include dealer and port inventories and vehicles in transit.

By country of origin, the days-supply figures for imported cars were:

Japan — Honda, 13; Toyota, 22; Acura, 31; Subaru, 40; Mazda, 48; Nissan, 54; Isuzu, 79; Chevrolet, 95 (including 85 for the Isuzu-built Spectrum and 122 for the Suzuki-built Sprint); Mitsubishi, 104; and Chrysler Motors, 112.

West Germany — Mercedes-Benz, 16; Porsche, 37; BMW, 51; Audi, 77; Volkswagen, 89; and Merkur, 108.

Other countries — Jaguar, 18; Hyundai, 22; Volvo, 35; Saab, 35; Yugo, 41; Alfa Romeo, 42; Renault, 57; and Peugeot, 61.

There were some major increases among the captive imports. Spectrum's 85-day supply was up from 36 a month earlier, and Sprint rose to 122 from 58. The supply of Chrysler imports doubled to 112 days from 56; Merkur almost doubled going to 108 from 58.

Among the independent imports, VW's supply climbed to 89 days from 57, and Mitsubishi's rose to 104 from 76.

Days' supplies of light trucks were: Suzuki, 19; Mazda, 42; Toyota, 46; Chrysler, 81; Mitsubishi, 118; Isuzu, 119; and Nissan 130.

All import-truck figures include Nissan's domestic-built models.

IMPORT DAYS' SUPPLIES

	Nov. 1, 1986	Oct. 1, 1986	Nov. 1, 1985
Spectrum	85	36	128
Sprint	122	58	75
Chevrolet	95	41	103
Chrysler Corp.	112	56	59
Acura	31	24	0
Honda	13	9	7
Isuzu	79	96	95
Mazda	48	32	19
Mitsubishi	104	76	28
Nissan	54	40	26
Subaru	40	47	16
Toyota	22	21	8
JAPAN	42	34	23
Audi	77	86	63
BMW	51	57	31
Mercedes-Benz	16	27	44
Merkur	108	58	104
Porsche	37	32	52
VW	89	57	63
GERMANY	56	52	53
Alfa Romeo	42	31	47
Hyundai	22	N/A	0
Jaguar	18	23	12
Peugeot	61	79	75
Renault	57	21	208
Saab	35	27	28
Volvo	35	29	51
Yugo	41	32	1
Other Countries	30	32	46
Total Import Cars	42	36	28
Isuzu	119	72	104
Mazda	42	26	12
Mitsubishi	118	98	38
Nissan*	130	55	57
Suzuki	19	21	0
Toyota	46	35	23
Chrysler	81	73	52
Total Import Trucks	69	46	39
Total Imp. Vehicles	48	39	30

*Includes domestic trucks

Porsche 1st with 2nd price hike

Stickers to rise 5% Jan. 1, after prior 8.6%

DETROIT — Porsche Cars North America has become the first auto firm to raise prices twice on 1987 models sold in the United States.

Also last week, Nissan Motor Corp. in U.S.A. completed its 1987 pricing by placing stickers on the 300-ZX sports car, the new van and the redesigned Pulsar coupe.

Porsche said last week that prices will rise an average of 5 percent on Jan 1. Optional equipment will be included in the hike. Porsche did not place a dollar figure on the boost, but Automotive News estimated it at $1,760.

In addition, the 924-S coupe went up $2,000 on Nov. 15 and is now $21,900. The car was introduced in the United States in June, and Porsche mentioned the Nov. 15 increase when it announced its 1987 prices in August.

Automotive News estimated that the Jan. 1 increases will range from $1,095 on the 924-S to $2,945 on the 928S-4.

On the basis of a 5 percent increase, Porsche prices will range from about $23,000 for the 924-S to about $62,000 for the 928S-4.

PCNA President John A. Cook said that since the August boost, "the value of the U.S. dollar has deteriorated and has necessitated this increase."

He added, "I want to announce our intentions now so our dealers and their customers can make their purchase plans for early next year."

In August, Porsche Cars North America posted a sales-weighted hike averaging 8.6 percent on its 1987 models. Increases ranged from $1,000 to $7,000, and Automotive News estimated that the increase averaged $3,280.

Nissan has priced its Pulsar at $10,599 for the XE and $11,799 for the twin-cam, 16-valve SE version. The 1986 Pulsar, which was not directly comparable to the new one, was $9,499. Nissan's 7-passenger van caries a tag of $11,999 for the XE and $13,999 for the GXE.

Prices of the 300-ZX sports car with five-speed transmission start at $18,499 for the base model. The coupe with T-bar roof is $19,499; the 2-plus-2 coupe is $20,649; and the topo-of-the-line turbo coupe is $21,-399. Models with five-speed transmission are up $400. Automatic transmision is $650 extra for 1987, compared with $550 for 1986.

OBITUARIES

Ivan L. Wiles, 88; retired GM executive

SCOTTSDALE, Ariz. — Ivan L. Wiles, retired General Motors executive, died Nov. 10. He was 88. Mr. Wiles retired in 1957 as executive vice president in charge of dealer relations. He also was a member of the GM board of directors.

He joined the then Oakland Division in 1928 and moved to Buick Motor Division in 1932, becoming comptroller in 1941. Mr. Wiles was named Buick general manager and elected a GM vice president in 1948. While he was at the helm, Buick produced 781,296 cars in 1955, which was then a record for the division. Mr. Wiles was named GM executive vice president for dealer relations in 1956.

Ralph W. Graham

SANTA MONICA, Calif. — Ralph W. Graham, a 35-year Ford dealer, died Oct. 30. He was 66. Mr. Graham founded Graham Ford, Downey, Calif., in 1951 and later changed its name to Downey Auto Center. In 1970, he founded Friendly Ford, Las Vegas, Nev. At the time of his death he was chairman of both dealerships. He was a member of the Ford National Dealer Council in 1963-64.

Sherman Sicklick

HARTFORD, Conn. — Sherman Sicklick, 64, long-time Connecticut automotive sales executive, died Oct. 29. Mr. Sicklick was general manager of the former Dworin Chevrolet, East Hartford, for 26 years, and more recently, was affiliated with Skip Gengras Chevrolet, Southington.

PRODUCTION

Auto production off a bit, but stays above 178,000

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

United States automakers targeted production of 178,452 cars last week, slightly below the previous week's 179,398.

The prior week's output was the highest since the week ended June 21 when 180,166 cars were built.

Last week's scheduled production was 2.64 percent more than the year-ago week's 173,863.

Companies split last week's estimated output as follows: General Motors, 53.38 percent; Ford Motor Co., 20.77 percent; Chrysler Motors, 15.80 percent; Honda of America Manufacturing Inc., 4.10 percent; New United Motor Manufacturing Inc., 2.35 percent; Nissan Motor Manufacturing Inc., 1.64 percent; Volkswagen of America, 1.12 percent; and American Motors, 0.84 percent.

AMC's Kenosha, Wis., plant resumed output last week (Nov. 10). The plant had been down for two weeks to adjust inventory.

GM's Flint, Mich., (Buick City) plant laid off 3,000 workers today (Nov. 17). Of that total, 1,000 will return to work Nov. 20, and the other 2,000 will return Nov. 24. On Nov. 24, 1,300 workers at Buick City will be laid off indefinitely as the line rate is cut.

GM's body assembly plant in Flint and its Pontiac G assembly plant in Pontiac, Mich., will be down from today until Dec. 1 for inventory adjustment. A total of 4,700 workers have been laid off.

The GM Fiero plant in Pontiac also closed today to adjust inventory, affecting 1,600 workers. The plant is scheduled to resume output Dec. 1.

Chrysler's St. Louis (No. 2) plant closed today for model changeover and will be down until March 27, affecting 3,000 workers. The plant, which has been building standard-sized cars, will be converted to produce a stretched version of the Dodge Caravan/Plymouth Voyager minivan.

Daily overtime is slated this week at all Ford plants except the Edison, N.J., facility.

Saturday (Nov. 22) overtime is scheduled at Ford's Wixom, Mich.; Wayne, Mich.; and Edison plants.

Chrysler slated overtime Saturday (Nov. 15) at its Belvidere, Ill., and Sterling Heights, Mich., plants. Those plants, along with Newark, Del., and Detroit, are scheduled for daily overtime this week.

Week's truck output drops 1.7%

Domestic truck production last week totaled 72,410, 1.70 percent below the previous week's 73,664 and 7.49 percent below the year-ago week's 78,274.

General Motors slated Saturday (Nov. 15) overtime at its Baltimore plant.

Ford Motor Co.'s Lorain, Ohio, and Louisville, Ky., plants also were scheduled to work Saturday.

All Ford truck plants except the Wayne, Mich., plant are slated for daily overtime this week (Nov. 17).

Chrysler Motors' Warren, Mich., plant was scheduled for overtime last Saturday.

Canadian cars dip after big week

Last week, Canadian automakers scheduled production of 25,655 units, 6.91 percent below the previous week's 27,559.

The prior week's output was the highest since the week ended May 14, 1983, when 27,994 cars were assembled.

Estimated car output last week was 3.39 percent more than the year-ago week's 24,813.

So far this year, 928,458 cars have been assembled, 3.46 percent less than the 961,704 completed last year at this point.

Truck production was targeted at 11,143 units last week, 9.05 percent more than the previous week's 10,218, but 42.87 percent below the year-ago week's 19,506.

CANADIAN CAR	Week Ended Nov. 15, 1986	Week Ended Nov. 16, 1985	Week Ended Nov. 8, 1986	Nov. to Date	Jan. 1 to Nov. 16, 1985	Jan. 1 to Nov. 15, 1986
AMERICAN MOTORS	150	369	116	266	10,124	3,827
FORD MOTOR	11,645	10,373	13,618	25,263	440,232	462,141
GENERAL MOTORS	13,680	13,891	13,600	27,280	502,578	453,745
VOLVO	180	180	225	405	8,770	8,745
Total Cars, Canada	25,655	24,813	27,559	53,214	961,704	928,458

U.S. TRUCK☆	Week Ended Nov. 15, 1986	Week Ended Nov. 16, 1985	Week Ended Nov. 8, 1986	Nov. to Date	Jan. 1 to Nov. 16, 1985	Jan. 1 to Nov. 15, 1986
CHEVROLET	23,124	27,382	24,574	47,698	1,027,062	1,046,480
DODGE	5,000	4,623	6,022	11,022	186,616	121,836
FORD	26,008	27,839	24,527	50,535	1,056,757	1,215,295
GMC	8,230	6,874	8,601	16,831	316,031	320,685
NAVISTAR	1,618	1,464	1,575	3,193	65,647	63,712
JEEP	4,350	5,876	4,352	8,702	202,677	167,172
NISSAN	1,730	2,166	1,663	3,393	96,394	97,767
AM GENERAL*	50	50	50	100	2,230	2,224
MISCELLANEOUS*	2,300	2,000	2,300	4,600	82,953	101,292
Total Trucks, U.S.	72,410	78,274	73,664	146,074	3,036,367	3,136,463

CANADIAN TRUCK	Week Ended Nov. 15, 1986	Week Ended Nov. 16, 1985	Week Ended Nov. 8, 1986	Nov. to Date	Jan. 1 to Nov. 16, 1985	Jan. 1 to Nov. 15, 1986
AMERICAN MOTORS	650	0	500	1,150	0	24,910
CHRYSLER	7,470	9,266	7,594	15,064	344,955	350,414
FORD	1,848	3,620	1,054	2,902	142,585	130,691
GENERAL MOTORS	975	6,417	870	1,845	252,148	182,593
NAVISTAR	200	203	200	400	9,897	8,276
Total Trucks, Canada	11,143	19,506	10,218	21,361	749,585	696,884
N. American Trucks	83,553	97,780	83,882	167,435	3,785,952	3,833,347

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Nov. 15, 1986	Week Ended Nov. 16, 1985	Week Ended Nov. 8, 1986	Nov. to Date	Jan. 1 to Nov. 16, 1985	Jan. 1 to Nov. 15, 1986
AMERICAN MOTORS	1,500	2,845	0	1,500	101,082	45,342
Renault Total	1,500	2,845	0	1,500	101,082	45,342
Alliance	1,500	2,281	0	1,500	65,996	41,995
Encore	0	564	0	0	35,086	3,347
CHRYSLER MOTORS	28,200	30,023	28,806	57,006	1,111,704	1,163,517
Plymouth Total	10,400	9,513	10,180	20,580	323,566	370,878
Horizon	3,500	3,890	3,714	7,214	124,547	152,153
Sundance	2,000	0	1,824	3,824	0	25,229
Reliant	3,600	4,039	2,832	6,432	142,939	135,966
Caravelle	900	1,564	1,192	2,092	42,188	39,712
Gran Fury	400	0	618	1,018	13,892	17,618
Chrysler Total	6,000	8,738	7,145	13,145	359,555	342,335
Laser	0	1,192	0	0	45,878	26,978
LeBaron	1,300	2,988	1,204	2,504	81,195	76,142
LeBaron GTS	1,000	3,035	870	1,870	86,129	57,061
New Yorker/E-Class	1,500	1,523	1,659	3,159	56,694	64,703
Fifth Avenue	2,200	0	3,412	5,612	92,659	117,451
Dodge Total	11,800	11,772	11,481	23,281	424,583	450,504
Daytona	0	1,182	0	0	41,541	30,343
Omni	3,700	3,436	3,595	7,295	119,897	145,139
Shadow	2,000	0	2,001	4,001	0	24,179
Aries	4,000	3,208	3,466	7,466	118,600	112,935
Dodge 600	1,000	1,941	1,155	2,155	58,347	58,414
Lancer	600	2,005	655	1,255	58,832	43,317
Diplomat	500	0	609	1,109	28,366	36,177
FORD MOTOR	37,069	31,152	37,728	74,797	1,451,122	1,536,866
Ford Division	27,213	20,600	27,808	55,021	973,343	1,063,065
Escort	8,126	7,469	9,239	17,365	301,187	334,656
EXP	0	0	0	0	3,838	0
Mustang	3,751	4,181	3,090	6,841	162,544	156,789
Tempo	4,271	4,670	4,195	8,466	163,985	172,996
LTD	0	0	0	0	180,724	0
Taurus	7,844	1,570	8,136	15,980	2,934	281,433
Thunderbird	3,221	2,710	3,148	6,369	151,009	117,191
Crown Victoria	0	0	0	0	7,122	0
L-M Division	9,856	10,552	9,920	19,776	477,779	473,801
Mercury Total	5,786	6,902	5,284	11,070	334,340	314,829
Lynx	1,221	1,981	1,377	2,598	65,005	53,458
Capri	0	379	0	0	16,678	12,344
Topaz	1,143	621	1,225	2,368	48,956	51,294
Cougar	751	3,362	229	980	113,659	87,983
Marquis	0	0	0	0	83,481	0
Sable	2,671	559	2,453	5,124	1,828	109,750
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,070	3,650	4,636	8,706	143,439	158,972
Continental	406	511	459	865	22,520	17,225
Lincoln	3,054	2,738	3,477	6,531	105,095	119,233
Mark VII	610	401	700	1,310	15,83[illegible]	22,514
GENERAL MOTORS	95,238	100,917	95,538	190,776	4,278,694	3,677,549
Buick Total	21,463	20,689	20,974	42,437	890,683	690,041
Skyhawk	1,855	3,159	1,952	3,807	95,515	75,006
Century	5,851	7,769	5,662	11,513	258,300	200,849
Regal	1,939	2,656	1,778	3,717	120,734	54,085
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	2,634	1,402	2,618	5,252	108,518	98,208
LeSabre (fwd)	5,240	803	5,198	10,438	4,464	142,139
LeSabre/Electra(rwd)	330	664	329	659	94,869	13,520
Electra(fwd)	2,578	4,065	2,607	5,185	120,695	82,867
Riviera	1,036	171	830	1,866	46,635	23,367
Cadillac Total	8,200	5,880	7,672	15,872	291,816	282,586
Cimarron	745	736	724	1,469	23,545	21,184
Cadillac (rwd)	1,320	918	1,186	2,506	35,345	69,311
DeVille (fwd)	4,265	3,910	4,227	8,492	153,507	149,438
Eldorado	1,115	189	921	2,036	51,823	22,544
Seville	755	127	514	1,369	27,596	20,109
Chevrolet Total	30,494	36,525	31,061	61,555	1,438,594	1,162,122
Chevette	2,751	2,350	2,771	5,522	139,073	92,232
Camaro	3,195	5,002	3,306	6,501	187,861	157,073
Cavalier	9,192	11,012	8,940	18,132	435,548	353,756
Celebrity	5,497	6,623	6,371	11,868	234,868	227,766
Citation	0	0	0	0	28,699	0
Corsica/Beretta	1,350	0	1,162	2,512	0	6,850
Monte Carlo	2,439	2,542	2,527	4,966	123,236	100,362
Chevrolet	5,430	8,006	5,333	10,763	246,283	198,634
Corvette	640	990	651	1,291	40,895	25,449
Oldsmobile Total	16,684	21,699	16,326	33,010	1,039,311	840,410
Firenza	820	1,153	781	1,601	55,062	34,936
Calais	2,514	3,088	2,514	5,028	132,592	105,290
Cutlass Ciera	4,386	6,932	4,422	8,808	311,597	211,588
Cutlass Supreme	1,812	5,309	1,702	3,514	208,437	100,515
88 (fwd)	2,934	1,450	2,918	5,852	11,145	251,968
88 (rwd)	480	713	424	904	165,068	17,185
Olds 98	2,998	2,932	2,977	5,975	127,228	102,148
Toronado	740	122	588	1,328	28,182	16,780
Pontiac Total	18,397	16,124	19,505	37,902	618,290	702,390
Acadian**	0	630	112	112	14,195	14,229
Fiero	1,760	0	1,771	3,531	101,322	61,615
1000	390	1,245	550	940	30,267	17,693
Firebird	2,155	2,547	2,070	4,225	100,235	95,464
2000 Sunbird	2,502	3,548	2,337	4,839	126,074	119,453
Grand Am	5,140	3,891	6,214	11,354	121,322	203,915
6000	2,670	1,493	2,684	5,354	48,507	118,414
Bonneville	3,400	0	3,388	6,788	0	23,257
Parisienne	380	2,770	379	759	76,368	48,350
HONDA	7,315	3,135	7,245	14,560	128,650	201,065
Civic	1,860	0	1,712	3,572	0	12,786
Accord	5,455	3,135	5,533	10,988	128,650	188,279
NISSAN	2,930	1,542	3,030	5,960	33,575	48,037
NUMMI	4,200	1,900	5,024	9,224	48,639	173,407
Corolla	1,100	0	1,352	2,452	0	4,968
Nova*	3,100	1,900	3,672	6,772	48,639	168,439
VOLKSWAGEN	2,000	2,349	2,027	4,027	84,378	74,526
Golf/GTI	2,000	2,349	2,027	4,027	84,378	74,526
Total Cars, U.S.	178,452	173,863	179,398	357,850	7,237,844	6,920,309
Total Cars, Canada	25,655	24,813	27,559	53,214	961,704	928,458
N. American Cars	204,107	198,676	206,957	411,064	8,199,548	7,848,767
N. American Trucks	83,553	97,780	83,882	167,435	3,785,952	3,833,347
North American Cars and Trucks	287,660	296,456	290,839	578,499	11,985,500	11,682,114

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Ford retools 2 plants in Michigan

Ford Motor Co. will invest $171 million to tool two Michigan plants to make a new line of alternators and starters for 1989-model vehicles.

Ford will put $77 million into its Ypsilanti, Mich., plant for additional starter production and another $94 million into its Rawsonville, Mich., facility for output of the alternators.

"We believe these new products will compete favorably in quality and cost with anything presently imported from Japan," said Edson P. Williams, vice president, Ford Diversified Products Operations. Ford said it had considered outsourcing the components, but "projected progress in cost containment, supported by very active employee involvement" won the jobs for the two facilities.

The company said both plants will be outfitted with computer-controlled machinery, robotics, automated material handling equipment and will have quality assurance processes.

Ford said improvements in the design of its alternator will lead to reductions in noise and vibration. In addition, links to vehicle engine control modules will enable the alternator to be shut down during full acceleration or when the engine is being started.

The new starter will be smaller and more reliable and efficient than current units, Ford said.

The starters and alternators will go into production alongside existing designs for the 1989 model year. By the early 1990s, they will replace current units in all Ford cars and trucks.

Ford's Rawsonville plant employs 2,500 hourly and 450 salaried workers. It produces alternators, carburetors, fuel injectors, electric fuel pumps and small motors.

The Ypsilanti facility employs 1,800 hourly and 300 salaried workers in manufacturing starters, distributors and other mechanical products.

Each plant will receive $3 million in state grants for training.

Despite the announcement, the UAW continued to criticize Ford for its outsourcing plans.

"We welcome Ford's recent announcement (about Ypsilanti and Rawsonville)," said Stephen Yokich, UAW vice president and head of the union's Ford department. "Unfortunately, though, that's not the whole story.

"The sad fact is that jobs saved . . . will not come close to replacing those lost by Ford's decision to transfer (other) work to plants in France, Brazil, Mexico and elsewhere."

Nissan plant receives environmental award

SMYRNA, Tenn. — Nissan Motor Manufacturing Corp. U.S.A. has received an award for environmental excellence at its plant from the Tennessee Manufacturers and Taxpayers Association. Ten other companies — none of them automakers — also were recognized.

Ernest Blankenship, the association's vice president, said Nissan has spent more than $10 million on air pollution control, solid and hazardous waste management and waste water treatment at the plant.

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GM SOUTH AFRICAN:

By selling in 1986, GM gains millions in U.S. tax deductions

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

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General Motors stands to gain millions in U.S. income tax deductions from its much-ballyhooed withdrawal from South Africa.

Tax experts at two major national accounting firms say by GM selling its South African subsidiary now — rather than after tax laws change next year — the U.S. government will effectively reimburse 46 cents of every dollar GM has lost in South Africa over the years.

Although GM will not reveal its accumulated losses in South Africa, they are believed to be in the tens of millions. And by selling in 1986, GM can write off those accumulated losses at the high 46 percent current corporate tax rate, instead of at the reduced rates dictated by the tax reform act. GM can also deduct on its U.S. tax returns the millions it will pay to erase the debt of General Motors South African, declaring it a bad debt in the United States.

GM also may stand to gain tax writeoffs from its 1986 divestiture of portions of its Bedford truck subsidiary in England and a reorganization of its Australian operations, although those effects were unclear.

Present tax law does not allow corporations to write off losses from an overseas subsidiary on their U.S. taxes. But corporations can accumulate those losses over the years and write them off when disposing of an overseas subsidiary.

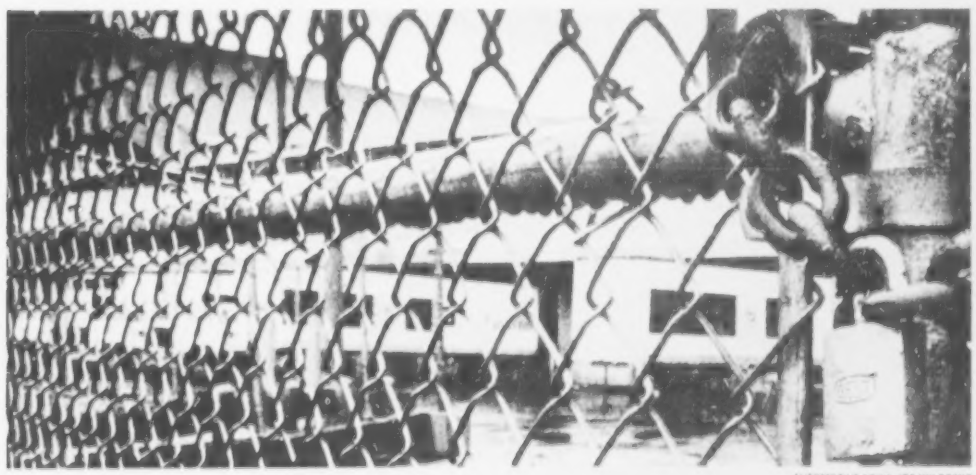
And the tax benefit from that deduction under 1986 U.S. tax rules is worth more because the corporate tax rate is higher than it will be after Jan. 1, 1987, when the corporate rate drops from 46 percent to 40 percent. It falls to 34 percent by July 1, 1987.

If GM foresaw any likelihood of divesting its controversial and money-losing South African investment in the next several years, the most beneficial time to sell to local investors in South Africa was in 1986.

The exact amount of tax benefit GM could gain from its South Africa sale is not known. Despite numerous requests from Automotive News during the last month, GM officials have declined to specify the amount of GM's accumulated losses in South Africa and the tax implications of the South African or any other divestitures. GM officials will say only that the South African subsidiary has lost money for several years.

A GM spokesman said: "Our decision to divest was not affected by a change in the tax code. In decisions of this magnitude, the

see TAX, page 7



AUTOMOTIVE NEWS JOE WILSSENS

A strike at GM's Delco Electronics plant in Kokomo, Ind., forced 10 assembly plants, including GM's Clark Avenue plant in Detroit, to close last week.

Delco dispute: Tip of GM iceberg

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

A settlement was reached after a four-day strike at General Motors' Delco Electronics plant, in a preview battle over outsourcing expected to continue in next year's national contract talks with the UAW.

Members of Local 292 in Kokomo, Ind., were expected to ratify the agreement Saturday (Nov. 22), according to Ron Cassis, the local's president.

The Delco Electronics strike was the second since September over subcontracting at General Motors. The other was at the GM Tech Center in Warren, Mich. The Delco strike also involved outsourcing.

It appeared that — in the tentative Delco agreement — the UAW had won the first round in the dispute over outsourcing.

Subcontracting and outsourcing are expected to be main topics during the industry's 1987 national contract talks.

About 7,700 UAW workers at the company's Delco Electronics plant in Kokomo walked out last Monday (Nov. 17). By week's end, the strike had choked off 10 assembly plants dependent on the thinned inventories of the just-in-time delivery system.

At presstime, about 38,000 GM assembly workers had been laid off, and GM had lost an estimated 3,600 units of production — about 4 percent of its planned output for

see STRIKE, page 37

Chrysler offers new incentives; a wave begins

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co., Chrysler Motors and American Motors kicked off a new round of dealer and consumer incentives last week, geared partially to trimming inventories.

Chrysler's program is heavily slanted toward trucks where inventories have been on the rise for the Big Three generally.

The Ford and AMC programs were partially in response to Chrysler's, though AMC is trying to solve a special problem of its own.

GM officials have been telling dealers they're holding fast with their no-incentive philosophy.

Chevrolet and Oldsmobile, in fact, sent dealers electronic communiques last week, saying in effect that sales have been slow and that dealers holding back, waiting for incentives, were part of the problem.

In response, one of GM's largest dealers said, "It's hard for them (factory officials) to believe the market is as bad as it is."

He added that while he believed what GM was saying at the moment, "there's no telling when they may change their minds or what they'll do."

AMC is paying dealers a straight $500 on every 1986 Alliance, Encore and Comanche pickup they sell from Nov. 20 to Jan. 6.

It is also paying $300 on every 1987 Alliance, including the new performance GTA model and the former Encore being sold for 1987 under the Alliance name.

The program excludes fleet and government sales.

William Price, AMC general manager of North American sales, said the company wants to clear out its backlog of carryover models so it can get on with selling its new models. He estimated AMC's 1986 stock of Alliance/Encore at about 8,000 units and its stock of carryover Comanches at 5,000 to 8,000

see INCENTIVES, page 37

What next?

Renault outsider expected to succeed slain Besse

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

PARIS — Whoever is selected to take over Renault after the assassination of Chairman Georges Besse is likely to find the state-owned automaker in better financial shape than was generally known.

The French government is expected to install a new chairman by mid-week, likely choosing an outsider.

The person will inherit a company that will earn a net profit in the fourth quarter — a startling revelation for a concern which lost nearly $2 billion in 1984 and was not expected to pull out of the red for at least another year.

GAMMA-LIAISON

Besse takes the wheel at Paris Auto Show

Several Renault sources last week confirmed a fourth quarter net gain and predicted that the state-owned automaker will be in the black for all of 1987.

The murder of Besse left the automaker without a leader at a crucial point in its financial restructuring.

see RENAULT, page 7

American Isuzu shopping world for low-priced car to import

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

KAPALUA, MAUI, Hawaii — John E. Reilly, senior vice president and general manager of American Isuzu Motor Co., wants to escape a shakeout of Japanese automakers which he sees coming by the late 1980s.

Reilly is scouring automakers in developing countries of the Asia-Pacific region and Eastern Europe, trying to locate a low-cost supplier of built-up cars that he can market as Isuzu-brand models in the United States.

He has visited automakers in Taiwan, Malaysia, Korea and Eastern Europe. Earlier this month, he went to Skoda in Prague, Czechoslovakia. He even tried Adam Opel AG, the West German subsidiary of General Motors. GM owns 38.6 percent of American Isuzu's parent company in Japan.

Reilly is looking for supplementary supplies of entry-level Isuzus before an Isuzu-Fuji joint-venture assembly plant comes on stream in late 1989 in the United States. For the record, Isuzu says it expects

see ISUZU, page 37

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Ford, VW to link in Brazil, Argentina — Page 2

Makers may get second NHTSA crash — Page 3

Perot tells GM: Move faster — Pages 37

NLRB denies challenge to Saturn pact

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The National Right to Work Legal Defense Fund lost another round in its challenge to the hiring practices at General Motors' Saturn Corp.

Rosemary Collyer, National Labor Relations Board general counsel, denied the group's appeal of a July ruling by the NLRB's regional director that dismissed the right-to-work group's charges of unfair labor practices against GM and the UAW.

The group challenged preferential hiring at the Saturn plant in Spring Hill, Tenn., for employees at GM facilities represented by the UAW.

Collyer also dismissed charges that GM prematurely recognized the union as the collective bargaining representative at Saturn.

A spokesman for the group said it will decide on its response by the first week of December.

Toyota plant stirs union fire

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Members of several building trades unions staged a protest at the Japanese embassy last week against the use of non-union labor in the construction of Toyota's Kentucky assembly plant.

About 400 workers demonstrated, part of a six-month-old campaign.

Toyota Motor Corp. has hired Ohbayashi Construction Co. as project manager, and the Building and Construction Trades Department of the AFL-CIO charges that Ohbayashi has refused to negotiate a labor agreement.

"We will not sit idly by and allow foreign developers, or any developer, to subvert American labor standards," Robert A. Georgine, president of the Building and Construction Trades Department, said last week.

The union has also challenged the legality of Kentucky's incentive package to get the $800 million plant.

The union claims that the package consists of $300 million in incentives, plus $60 million in tax breaks. The state, however, has estimated the total cost of the package at $125 million.

LeFauve at Saturn site in Spring Hill, Tenn. AUTOMOTIVE NEWS JOE WILSSENS

SATURN: *Dealers will be located to battle imports head on*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

The first Saturn dealers will be located in areas where import sales are strong.

Richard LeFauve, Saturn Corp. president, told a news conference in Spring Hill, Tenn., last week that dealers — though he won't say how many — will be phased in while the plant itself is being phased in.

The first phase of the plant will represent $1.7 billion of the total $3.5 billion Saturn investment. The workforce initially will be 3,500 instead of 6,000 as previously planned.

The first phase is scheduled to produce 200,000 to 250,000 cars annually, beginning in the summer of 1990. The second phase, which has no timetable yet, is expected to bring total production of the Saturn plant to 500,000 units annually.

LeFauve said the first Saturn car will be produced in the summer of 1990 and General Motors Chairman Roger B. Smith will drive it off the assembly line, as Smith has promised from the start of the Saturn program.

However, the bulk of cars in the first phase will be produced in 1991 because of a slow, controlled start-up.

"That's also the way you bring your dealers on so that you don't have dealers with facilities in place and no cars," LeFauve said.

While selection of dealer locations will be aimed at fighting imports, one of the exceptions will be Maury County, Tenn., where the Saturn plant is located. There definitely will be a Saturn dealer there, LeFauve said.

LeFauve said the initial annual production will be enough to support a dealer network. A second wave of dealers will be added when production reaches the 500,000 mark.

LeFauve said a group of GM dealers has been asked to assist in the design of Saturn's franchise system. The dealers are helping to decide how Saturn dealers will be chosen and whether the Saturn franchise will require a separate dealer showroom.

Audi acceleration woes continue

By Edward Lapham and Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTERS

The anticipated report on alleged unintended acceleration problems of the Audi 5000 was scheduled to air yesterday on the CBS-TV program "60 Minutes."

The report has been in preparation for several months.

Audi has said it can find no mechanical problems with the cars but has issued a recall to install shift-lock devices for them.

CBS officials last week notified Audi that the segment was scheduled to air and, in keeping with network policy, asked Audi if it wanted to pull a 30-second spot scheduled for that telecast.

An executive of Audi's advertising agency said Audi removed its ad from the show but not from the network. "We're negotiating to run the spot in the second Thanksgiving Day football game," he said.

Also last week, the Center for Auto Safety asked Transportation Secretary Elizabeth H. Dole to declare Audi's shift-lock repair a failure and to order the company to repurchase 227,000 Audi 5000s with automatic transmissions.

The shift lock prevents the driver from getting out of "park" without depressing the brake pedal. On July 28, Audi announced a recall of all 1978-86 Audi 5000s to install that lock and said it would be installed on all new Audi 5000s.

The consumer group cited three instances of unexpected acceleration during the last three weeks in Audi 5000s with the devices.

On March 19, the Center for Auto Safety and the New York attorney general petitioned NHTSA to recall Audi 5000s. The center claims the toll has now reached 750 accidents, 250 injuries and 6 deaths — one accident for every 300 Audi 5000 cars.

Ironically, the wife of a DDB Needham Worldwide finance department employee was involved in a unintended-acceleration accident last week in Greenwich, Conn. She suffered a broken leg.

The car was equipped with an automatic transmission but did not have the interlock device.

Makers may get second NHTSA crash

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA plans to give automakers a second chance to prove how crashworthy their products are.

NHTSA has proposed that any vehicle it has already tested for occupant protection can be re-crashed under the agency's New Car Assessment Program, if the manufacturer has made production changes to improve safety.

Those crashes by NHTSA would be done at manufacturer expense.

Interested parties have 45 days to file comments on the proposal.

NCAP crashes are done at 35 mph into a brick wall and produce forces about one-third more severe than those done at 30 mph to test compliance with NHTSA safety standards.

Recent 35-mph tests by NHTSA have resulted in several production changes by manufacturers: Honda shortened its seat belts and is believed to have made changes in its steering-column system. Volvo also made changes to its belt system. Ford changed the belt retractor on the Tempo and did away with the plastic clip on the B pillar.

The new NHTSA proposal refers only to production changes made after NHTSA crash results have been announced.

In the Federal Register notice, NHTSA noted that when manufacturers have made "small but significant" production changes to improve performance in the NCAP crashes, re-crashing has shown improvement.

NHTSA, however, has a limited amount of money for re-crashing and consumers do not always learn of better results.

Under the proposal, results from the NCAP crashes would be published by NHTSA in government press releases, but labeled as optional test program data. The Reagan administration has continued this consumer information program although it is considered experimental.

NHTSA is proposing that manufacturer data be released simultaneously with government data, but identified separately to show production changes which have been made.

The companies would have to provide technical data to NHTSA (confidentially, if requested and justified) and allow a government representative to be present at the retest. To avoid any question of pre-selecting a vehicle, the government would buy the vehicle at random from a dealer — just as it always has done.

NHTSA would not publish the data unless production changes had been made, but once assured of the validity of the retest, it would publish the automaker's results whether they are better or worse than the government's.

Benefits, according to NHTSA, are "timely and up-to-date crashworthiness data provided to consumers, fairness to manufacturers which have made vehicle safety improvements by replacing outdated data and minimum expense to the taxpayers."

NHTSA conducts crashes to enable consumers to make a rough comparison, by weight class, among various makes and models.

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Chrysler challenges EPA order to recall 93,000 cars

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Chrysler is protesting EPA's recall order on 1981 Omni and Horizon models equipped with 1.7-liter engines and manual transmissions. About 93,000 cars are affected.

Chrysler has requested a public hearing through a letter from its Washington law firm, Hogan and Hartson, to the EPA. The letter indicates that Chrysler is willing to go to court, if necessary.

Although the Omni and Horizon models are approaching the end of their 5/50 emissions warranty, EPA could still force a recall if it sticks to its guns and prevails in what could be a court battle.

The EPA's testing of the Chrysler cars was part of the Clean Air Act, in which the agency randomly tests to see if cars are meeting 50,000-mile/five-year emissions standards.

In September 1986, EPA said the cars had an emissions level of 1.4 grams per mile, exceeding the nitrogen oxide standard of 1.0 gpm.

In fact, EPA said, retesting showed not only a 75 percent failure rate for NOx, but a 50 percent failure rate for hydrocarbons as well.

EPA suggested that Chrysler deal with its HC emissions problem (mean emissions were 0.42 gpm compared with the standard of 0.41 gpm) as long as the company was working on a remedy for NOx.

In September, Chrysler protested that the humidity at the test site may have affected NOx emissions adversely. In its proposed recall order to Chrysler, EPA noted that the federal test procedure has no humidity specification, but had a correction factor been used, its "finding would remain the same as the NOx mean and it would be 1.3 gpm with an 88 percent failure rate."

Chrysler said EPA failed to account for ambient humidity at the Virginia Testing Laboratory where it did confirmatory tests. Had EPA done so, Chrysler said, 90 percent of those tests would have been voided, leaving no basis for the recall.

Besides, said Chrysler, EPA failed to check the Virginia retests against tests made in San Antonio, Texas; Vancouver, Wash.; and East Liberty, Ohio, where the mean test results were "well below" the NOx standard. Chrysler also said some of the "worst-case" cars tested at those three sites had better results than vehicles tested in the so-called properly maintained cars tested in the Virginia lab.

Correction

DETROIT — The 1987 Pontiac Bonneville is a front-wheel-drive car. It was identified as rear-wheel drive on Page 29 of the Nov. 17 issue of Automotive News.

TRUCK INDUSTRY

10-month sales set record despite October dip

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck dealers retailed a record 4,090,068 vehicles through the first 10 months of calendar 1986, up 3.9 percent from the comparable 1985 period.

They retailed 364,125 trucks in October, off 4.1 percent from last year, according to figures compiled by Automotive News and the Motor Vehicle Manufacturers Association.

The accompanying chart, which details sales by segment and manufacturer, will be published by Automotive News every month.

Sales results for medium and heavy truck manufacturers indicate a rebound in those segments during October.

Freightliner, Mack, Navistar, Volvo and Peterbilt were among companies showing an upturn in October sales, after being down on a year-to-date basis for most of the year.

Ford, GMC, Kenworth, Mercedes-Benz and Chevrolet medium and heavy sales, however, continued to lag behind a year ago in October.

Freightliner's Class 8 sales of 1,742 were up 21.4 percent in October. With another strong month in November, the company could pull ahead of a year ago.

Mack was also up a strong 12.2 percent in the month on sales of 2,035 medium and heavy trucks. Mack, down 25.3 percent for the first 10 months of the year, has virtually no chance to match its 1985 performance for the full year.

Navistar's sales of 8,329 were up 3.6 percent in the month, giving it a slight 0.5 percent lead over last year in 10-month sales.

Peterbilt was up 6.8 percent in October, and trails last year by 16.6 percent for the 10-month period.

Volvo White sales of 1,261 were up 11.8 percent in October and, with a strong finish in November and December, the company could top its full-year 1985 performance.

Generally, new-to-market importers Hino and Nissan Diesel are gaining slowly but steadily in the middle Class 5, 6 and 7 segments.

Both are making their strongest marks in Class 7 where they've tallied a total of 803 sales between them thus far this year.

October Truck Sales by manufacturer and segment

		16,000 & LESS GVW CLASS 1-4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1986	TOTAL 1985
CHRYSLER	MO	48,466					48,466	48,247
	YR	478,607					478,607	523,360
JEEP	MO	20,630					20,630	18,903
	YR	168,092					168,092	137,912
TOYOTA	MO	26,521					26,521	25,531
	YR	319,027					319,027	270,536
NISSAN	MO	11,644					11,644	14,867
	YR	187,751					187,751	226,302
MAZDA	MO	12,863					12,863	11,317
	YR	131,301					131,301	96,649
ISUZU	MO	6,364					6,364	6,170
	YR	71,714					71,714	64,608
MITSUBISHI	MO	2,794					2,794	2,824
	YR	26,680					26,680	21,811
SUZUKI	MO	4,483					4,483	0
	YR	36,729					36,729	0
FORD	MO	97,540		871	2,376	941	101,728	106,835
	YR	1,124,281		9,871	25,677	10,438	1,170,267	1,065,940
FREIGHTLINER	MO					1,742	1,742	1,435
	YR					14,391	14,391	14,808
CHEVROLET	MO	87,178	27	629	858	35	88,727	101,855
	YR	1,062,418	266	6,564	8,210	464	1,077,922	1,096,835
GMC	MO	22,189	400	256	732	401	23,978	28,185
	YR	262,177	4,209	6,084	17,157	6,224	295,851	298,902
KENWORTH	MO					959	959	1,059
	YR					8,465	8,465	9,372
MACK	MO			309	297	1,429	2,035	1,813
	YR			2,082	2,119	13,919	18,120	24,252
MERCEDES	MO			168	166		334	357
	YR			1,746	1,411		3,157	3,445
NAVISTAR	MO			1,194	3,607	3,528	8,329	8,038
	YR			10,659	28,095	22,586	61,340	61,060
PETERBILT	MO					943	943	883
	YR					8,172	8,172	9,803
VOLVO	MO				155	1,106	1,261	1,128
	YR				1,169	9,213	10,382	10,638
HINO	MO			25	67		92	0
	YR			247	500		747	0
NISSAN DIESEL	MO		79	18	55		152	0
	YR		119	40	303		462	0
OTHER DOMESTICS	MO					80	80	96
	YR			16		875	891	847
GRAND TOTAL	MO	340,672	506	3,470	8,313	11,164	364,125	379,543
	YR	3,868,777	4,594	37,309	84,641	94,747	4,090,068	3,937,080
1985 YR to DATE		3,927,568	4,843	40,122	81,050	111,730		

Class 1-4 sales data reported by individual manufacturers; Class 5-8 data reported by Motor Vehicle Manufacturers Association.

New 6-cylinder diesel line will replace Navistar V-8; Metro II package van due

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Navistar International Corp. introduced an engine line and a package van at the American Trucking Association's convention.

The DT-360 diesel engine will replace the company's naturally aspirated 9-liter (360-cid) diesel V-8 by 1988. The 9-liter received a major update in 1979, but the basic engine family dates back to the 1960s.

The DT-360 is an inline six-cylinder turbocharged diesel engine based on the larger DT-466 engine, which was introduced in 1975.

The new engine was designed for the medium-duty market up to 50,000 pounds GVW. The 466-cid DT-466 is designed for applications to 70,000 pounds GVW.

The DT-360 will be available in 165- to 180-horsepower versions. The intercooled versions carry a DTA designation and are rated at 180 hp for 49-state models, 175 hp in California. Versions of the DT-466 range from 165 to 240 hp.

"The 9-liter engine could not qualify for the 1988 emissions standards," said George D. Aravosis, vice president for marketing, sales and planning in Navistar's Engine and Foundry Division.

"In order to meet the hydrocarbon and nitrous oxides requirements, we would have to turbocharge. Once you turbocharge the 9-liter and strengthen the bottom end, you wind up with a more costly engine than the market will bear."

He added, "We had the capability to build a six-cylinder, turbocharged, intercooled 360-type engine more cost effectively."

The DT-360 will be offered at a price equal to that of the current 9-liter. The engine will be standard on International model 1754 S-series medium trucks and model 1853 school buses, now powered by the 9-liter.

Limited DT-360 production will begin in January with full-scale production starting in March.

The new engine features a open-chamber design with direct fuel injection.

Navistar said the DT-360 shares 60 percent of its service parts and all of its accessories with the DT-466.

The new engine is five inches shorter and some 200 pounds lighter than the DT-466.

The new DT-360 will carry a two-year, unlimited mileage warranty that includes 100 percent parts and labor coverage.

The warranty is identical to the coverage on the 9.0-liter diesel.

The DT-360 will be built on a production line next to the DT-466 at Navistar's Melrose Park, Ill., engine plant.

The International Metro II package van, to be available in January 1987, was designed for the growing overnight package delivery market. The new van is available in six body lengths from 14 to 24 feet. Two models, the Metro II 1400 at 14,480 pounds GVW, and the Metro II 1600 at 20,500 pounds GVW, will be offered. Optional GVW ratings range to 27,500 pounds.

International estimates 800 to 1,000 sales the first year, with sales increasing in following years.

"The recent increase in overnight package deliveries, along with the traditional multi-stop product delivery services, have increased the need for a larger, truck-quality, multi-stop vehicle," said Robert M. Shaughnessy, senior vice president for marketing and sales. "The International Metro II walk-in vans have been designed to meet this demand."

Both Metro II models will be powered by the International 6.9-liter V-8 diesel engine, rated at 130 hp in the 1400 and 155 hp in the 1600.

The Metro II is built on an International S-series truck chassis and features body sidewalls of fiberglass reinforced plywood. Four-wheel disc brakes are standard.

Vans of this type commonly use aluminum sidewalls which, Navistar said, are susceptible to scratches and gouging.

Shaughnessy admitted aluminum walls are lighter, but he said vans of that type usually carry goods that fill the unit before reaching the maximum weight capacity of the truck. He also said aluminum-bodied trucks often have plywood scuff guards that increase the truck weight.

Navistar previously produced a multi-stop Metro model from 1938 to 1972.

Shaughnessy said, "The market is now shifting back from the lightweight automotive type chassis to the more durable truck type vehicles that can handle heavier loads while delivering outstanding fuel economy."

The Metro II will carry a 12-month warranty with complete reimbursement of parts and labor. Also, certain major components will be covered for 24 months at 50 percent reimbursement for parts and labor. The van body structure will carry a five-year or 50,000-mile warranty.

West Germany's still tops in sales

By Richard Johnson

The West German auto industry — Europe's largest and healthiest — continued to pace other Western European nations in new-car sales through the third quarter of this year.

The Spanish market picked up momentum during the third quarter to move past the Netherlands into fifth place, behind West Germany, the United Kingdom, Italy and France.

The West German car market was 16.1 percent ahead of 1986 through the first nine months, according to industry estimates compiled by *Automotive News*. The gain was nearly double the European-wide 8.3 percent average growth through September.

New car sales in West Germany stood at 2,111,000 for the first nine months of 1987, against 1,818,000 over the same period last year. West Germany recorded sales of 2,379,000 for all of 1985 — less than 1 percent lower than 1984 volume.

Japanese producers, which face restrictions in Europe's other large markets (United Kingdom, France, Italy, Spain) continue to take advantage of West Germany's free market. They had a combined 12-percent share and increased sales 20.6 percent through September.

West German leader Volkswagen AG held 28.1 percent of its home market with VW, Audi and Seat brands. VW group sales were up 14.8 percent for the year.

Among Europe's other key markets, the United Kingdom was next best through the third quarter. Sales of 1,542,000 units were up 2.6 percent for the year.

The Italian market, with total volume of 1,413,000, was up 3.9 percent over its 1985 pace through the third quarter.

The French market also ran ahead of 1985. Sales totaled 1,361,000 through September, 5.6 percent better than the same period last year. ■

NEW CAR SALES IN EUROPE

Country	9 mos., 1986	% Gain/Loss
West Germany	2,111,000	+16.1
United Kingdom	1,542,000	+2.6
Italy	1,413,000	+3.9
France	1,361,000	+5.6
Spain	474,000	+15.8
Netherlands	471,000	+14.8
Belgium-Luxembourg	344,000	+10.8
Switzerland	244,000	+15.6
Austria	208,000	+2.7
Sweden	190,000	−2.9
Denmark	145,000	+19.0
Norway	132,000	+14.9
Finland	115,000	+5.6
Portugal	77,000	+14.7
Ireland	51,000	−2.0
Greece	44,000	−27.5
TOTAL	8,922,000	+8.3

OVERSEAS PRODUCTION

UNITED KINGDOM

Cars

	7 mos. 1986	7 mos. 1985
Carbodies	1,239	958
Ford	190,102	194,589
Jaguar	24,267	22,255
Lotus	405	531
Panther	168	76
Reliant	189	565
Rolls-Royce	1,486	1,376
Rover Group	244,437	286,455
Austin Rover	236,256	278,588
Range Rover	8,181	7,867
TVR	319	259
Vauxhall	95,123	94,210
Others	347	360
Total	594,084	639,590

Vans, trucks, buses

Bedford	31,995	36,888
ERF	1,061	1,280
Foden	327	281
Ford	54,441	69,743
Dennis-SV	196	494
Dennis Eagle	187	0
Hestair-Duple	4	0
Iveco-Ford	1,202	0
Metro-Cammell Weymann	148	264
Reliant	16	44
Renault TI	2,568	3,155
Rover Group	42,516	54,245
Austin Rover	11,672	15,162
Freight Rover	10,582	11,685
Land Rover	13,087	18,189
Leyland	7,175	9,209
Seddon Atkinson	945	1,023
Others	111	116
Total	135,717	167,533
Total Vehicles	729,801	807,123

FRANCE

Cars

	8 mos. 1986	8 mos. 1985
Peugeot SA	937,323	797,060
Citroen	336,218	294,812
Peugeot	601,105	481,745
Renault	814,325	869,182
Total	1,751,648	1,666,242

Vans, trucks and buses

CBM	35	34
Heuliez	111	0
Iveco-Unic	55	62
Peugeot SA	99,822	104,276
Citroen	47,451	47,735
Peugeot	52,371	56,541
Renault	151,722	143,063
Sovam	43	63
Total	251,577	247,498
Total vehicles	2,024,199	1,913,740

JAPAN

Cars

	7 mos. 1986	7 mos. 1985
Daihatsu	93,690	97,882
Fuji	172,587	143,558
Honda	613,118	546,541
Isuzu	128,548	113,124
Mazda	488,669	455,999
Mitsubishi	352,282	322,415
Nissan	1,094,955	1,115,851
Suzuki	162,856	130,234
Toyota	1,603,557	1,532,187
Total	4,708,262	4,457,791

Vans, trucks, buses

Daihatsu	263,202	250,885
Fuji	197,947	180,683
Hino	34,994	38,153
Honda	130,172	94,608
Isuzu	203,935	211,966
Mazda	240,364	219,186
Mitsubishi	349,001	340,283
Nissan	299,886	409,602
Nissan Diesel	19,606	22,211
Suzuki	240,364	314,257
Toyota	596,438	675,824
Total	2,879,573	2,768,027
Total Vehicles	7,387,835	7,225,818

OVERSEAS REGISTRATIONS

WEST GERMANY

Cars

	8 mos. 1986	8 mos. 1985
Alfa Romeo	5,071	5,760
Alpina	143	0
AMC	379	0
Austin Rover	8,852	4,893
BMW	101,360	102,132
Bertone	290	330
Daihatsu	8,174	5,551
Fiat Auto	86,024	73,258
Ford	199,627	166,688
GM-Opel	288,042	257,226
Honda	33,693	26,829
Isuzu	3,770	2,369
Jaguar	1,293	1,664
Lada	6,949	5,686
Matra	1,817	1,963
Mazda	57,815	45,160
Motor Iberica	199	0
Nissan	54,597	45,074
Peugeot SA	92,707	65,905
Citroen	32,461	25,692
Peugeot/Talbot	60,246	40,213
Porsche	7,996	8,391
Renault	62,062	56,220
Saab	3,258	2,252
Skoda	2,302	1,584
Subaru	9,843	6,992
Suzuki	15,126	12,388
Toyota	60,376	41,563
VW Group	531,246	463,487
Audi	99,632	93,347
Seat	3,332	2,953
Volkswagen	428,282	367,187
Volvo	11,667	9,608
Others	954	3,489
Total	1,898,597	1,632,189

JAPAN

Cars

	7 mos. 1986	7 mos. 1985
Daihatsu	58,514	61,518
Fuji	46,485	48,731
Honda	180,974	169,868
Isuzu	36,020	25,647
Mazda	116,606	112,919
Mitsubishi	92,024	105,650
Nissan	483,576	491,308
Suzuki	39,511	43,738
Toyota	850,335	804,742
Imports (all)	38,279	28,966
Total	1,942,324	1,894,087

Vans, trucks, buses

Daihatsu	235,154	205,755
Fuji	141,511	137,286
Hino	23,964	23,556
Honda	120,390	76,443
Isuzu	68,315	72,326
Mazda	97,899	92,677
Mitsubishi	213,692	214,035
Nissan	155,674	167,520
Nissan Diesel	12,875	12,350
Suzuki	249,715	240,214
Toyota	223,275	215,250
Imports (all)	103	98
Total	1,543,100	1,457,510
Total Vehicles	3,485,424	3,351,597

UNITED KINGDOM

Cars

	9 mos. 1986	9 mos. 1985
Alfa Romeo	1,967	2,529
BMW	30,239	27,804
Daihatsu	4,539	3,582
Fiat Auto	51,837	46,652
Ford	419,264	394,659
FSO	3,826	4,969
GM-Vauxhall	233,554	250,233
Honda	16,853	15,130
Hyundai	6,075	4,099
Jaguar	5,738	6,733
Lada	16,324	11,610
Lotus	360	466
Mazda	15,070	13,205
Mercedes-Benz	16,425	15,224
Mitsubishi	9,699	9,370
Nissan	85,689	83,144
Panther	48	50
Peugeot SA	98,555	83,804
Citroen	27,273	22,004
Peugeot/Talbot	71,282	61,800
Reliant	253	532
Renault	58,210	59,588
Rolls-Royce	684	578
Rover Group	250,158	273,875
Austin Rover	246,701	271,345
Range Rover	3,457	2,529
Saab	8,344	6,731
Skoda	9,921	9,040
Subaru	2,920	2,522
Suzuki	3,574	3,165
Toyota	30,693	28,342
VW-Audi-Seat	96,015	88,754
Volvo	54,183	47,242
Others	3,941	3,489
Total	1,541,883	1,502,551

SWEDEN

Cars

	9 mos. 1986	9 mos. 1985
Alfa Romeo	896	844
BMW	3,508	3,275
Daihatsu	1,147	1,024
Fiat Auto	4,988	5,662
Ford	21,812	22,287
GM-Opel	18,120	21,369
Honda	3,006	2,778
Jaguar	28	18
Lada	1,316	1,162
Mazda	9,254	8,665
Mercedes-Benz	5,510	7,455
Mitsubishi	1,769	1,894
Nissan	10,749	6,343
Peugeot SA	5,224	5,340
Citroen	2,199	2,288
Peugeot/Talbot	3,025	3,052
Porsche	400	375
Renault	2,477	1,928
Saab	20,075	19,924
Skoda	130	275
Subaru	1,039	1,112
Suzuki	755	440
Toyota	11,904	8,191
VW Group	22,796	24,098
Volkswagen	14,939	15,430
Audi	7,857	8,668
Volvo	43,236	51,462
Others	57	36
Total	190,199	195,947

ITALY

Cars

	6 mos. 1986	6 mos. 1985
Alfa Romeo	68,225	64,828
Austin Rover	14,650	11,605
BMW	11,540	12,481
Fiat Auto	563,716	522,141
Fiat	467,704	429,718
Lancia/Autobianchi	96,012	92,423
Ford	40,100	41,002
GM-Opel	32,824	29,630
Innocenti	7,303	8,637
Mercedes-Benz	10,982	11,155
Peugeot SA	74,347	69,669
Citroen	37,817	38,442
Peugeot/Talbot	36,530	31,227
Renault	84,865	104,425
VW Group	104,506	97,568
Volkswagen	72,225	67,526
Audi	7,670	10,305
Seat	24,611	19,737
Volvo	9,756	10,514
Others	13,118	10,734
Total	1,035,932	994,389

SOUTH AFRICA

Cars

	6 mos. 1986	6 mos. 1985
Alfa Romeo	0	1,520
Austin Rover	10	18
BMW	6,534	6,287
Daihatsu	0	1,765
Ford	8,791	10,003
GM-Opel	6,106	8,640
Honda	4,195	5,534
Jaguar	13	52
Lancia	19	20
Mazda	7,485	5,534
Mercedes-Benz	4,107	5,125
Mitsubishi	882	1,397
Nissan	6,934	7,041
Peugeot SA	337	1,300
Renault	2,387	4,911
Toyota	22,946	23,431
VW Group	14,797	14,177
Total	85,543	98,658

NORWAY

Cars

	6 mos. 1986	6 mos. 1985
Alfa Romeo	125	99
BMW	2,925	2,032
Daihatsu	1,157	634
Fiat Auto	3,389	3,012
Fiat	3,148	2,985
Lancia	241	27
Ford	14,818	10,798
GM-Opel	12,771	10,423
Honda	2,983	2,033
Isuzu	57	67
Jaguar	28	18
Lada	1,438	1,189
Mazda	8,441	6,271
Mercedes-Benz	2,304	1,255
Mitsubishi	3,884	2,687
Nissan	6,347	4,487
Peugeot SA	5,339	4,007
Citroen	1,826	1,358
Peugeot/Talbot	3,513	2,649
Porsche	21	0
Renault	708	487
Saab	1,874	1,320
Skoda	205	311
Subaru	1,934	1,051
Suzuki	489	124
Toyota	12,042	8,010
VW Group	9,833	9,161
Volkswagen	7,186	7,341
Audi	2,647	1,820
Seat	24,611	19,737
Volvo	8,489	5,910
Others	45	28
Total	101,646	75,414

AUCTION ACTION

Florida auction builds new headquarters

WEST PALM BEACH, Fla. — Ground has been broken on an 18-acre site for a $1 million headquarters facility for West Palm Beach Auto Auction. The 19,000-square-foot building is scheduled to be completed in January.

Company officials expect the new facility to increase the auction's volume from 1,200 cars per week to 1,800. West Palm Beach Auto Auction is a subsidiary of Anglo American Auto Auctions Inc.

Expansion in Chicago

CHICAGO — Greater Chicago Auto Auction has broken ground for a six-lane, 26-acre facility.

The property is across the street from the company's present five-lane, 22-acre location, which will eventually house Auction Way Sales, a sister auction. Both facilities will hold dealer auctions every Thursday. The combined sites will be able to handle more than 3,000 vehicles a week.

Greater Chicago Auto Auction and Auction Way recently were purchased by General Electric Credit Auto Auctions.

Move for Southwest

PHOENIX, Ariz. — Southwest Auto Auction of Phoenix, part of the Cox Communication group, plans to move its auction site to Chandler, Ariz. Operations at the new location will begin in September 1987.

Kruse slates auction

SCOTTSDALE, Ariz. — The 16th annual Kruse Collector Car Auction and Show is slated for Jan. 9-11 at the Scottsdale Activity Center. More than 500 classic and collector cars are expected for the three-day event.

Mendenhall graduation

HIGH POINT, N.C. — Forty-four students graduated recently from the Mendenhall School of Auctioneering here. They were from 14 states.

Correction

Automotive News last week incorrectly identified one of the persons who pleaded guilty to federal charges involving odometer rollbacks (U.S. Charges Three in Odometer Scheme; More to be Named). The reconditioner was in fact not an employee of Manheim Auto Auction but an independent reconditioner based in Manheim, Pa.

Automotive News apologizes for any damage to Manheim's reputation caused by the error.

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AUCTION DATES

American Motors

Nov. 25 — High Point Auto Auction, High Point, N.C.

Nov. 26 — Columbus Fair Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Chrysler Corp.

Nov. 25 — Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit; and Dallas Auto Auction (special sale), Dallas

Nov. 26 — Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; and Minneapolis Auto Auction, Plymouth, Minn.

Ford Motor Co.

Nov. 25 — Harrisonburg Auto Auction, Harrisonburg, Va.

Nov. 26 — Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

General Motors

Dec. 3 — Atlanta Auto Auction, Red Oak, Ga.; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Used Car Sales

Auction Averages

November to date	$5,175
Month ago	$5,193
Year ago	$4,684

Model Breakdown

Auction Averages

	NOV 1986	OCT 1986	SEP 1986
1986	$11,368	$11,574	$11,846
1985	$8,313	$8,414	$8,472
1984	$6,188	$6,215	$6,221
1983	$5,420	$5,442	$5,459
1982	$4,195	$4,216	$4,261
1981	$3,248	$3,277	$3,333
1980	$2,395	$2,424	$2,463
1979	$2,074	$2,086	$2,109
Overall Average	$5,175	$5,196	$5,206

U.S. IMPORT SALES

	Oct. 1986	Oct. 1985	10 Mos., 1986	10 Mos., 1985
ACURA	7,146	0	36,437	0
Integra	3,275	0	19,472	0
Legend	3,871	0	16,965	0
ALFA ROMEO	865	365	6,755	4,001
AUDI	5,800	6,255	52,413	61,607
4000S	835	1,505	10,780	14,907
4000CS Quattro	411	450	3,352	3,850
5000S	3,343	3,521	27,715	33,159
5000CS Turbo	721	414	5,546	6,565
5000CS Turbo Quattro	252	43	2,543	43
Quattro Coupe	0	6	1	71
Coupe GT	238	316	2,475	3,012
BMW	8,275	7,507	79,252	73,801
318i	9	2,023	893	21,613
524 TD	58	311	1,716	1,343
325	5,510	2,236	50,211	24,383
528e	1,444	805	12,166	9,374
535i	312	495	6,335	5,863
635CSI	512	399	2,320	3,142
735/L-7	430	1,238	5,611	8,083
CHEVROLET	11,278	11,192	140,212	63,850
Spectrum	8,127	5,891	85,698	43,438
Sprint	3,151	5,301	54,514	20,412
CHRYSLER/MITSUBISHI	9,658	12,712	112,676	79,499
Colt	6,467	9,682	79,836	56,751
Conquest	224	448	4,296	4,403
Vista	2,967	2,582	28,544	18,345
HONDA	34,311	42,559	327,646	327,982
Civic/CRX	15,046	19,918	176,366	167,015
Accord	12,365	15,384	87,869	96,669
Prelude	6,900	7,257	63,411	64,297
HYUNDAI	17,578	0	130,545	0
ISUZU	4,324	2,443	28,988	23,122
I-Mark	3,294	1,433	18,496	10,344
Impulse	1,030	1,010	10,492	12,778
JAGUAR	2,490	2,619	19,878	15,884
XJ6	2,024	2,204	16,079	13,048
XJS	466	415	3,799	2,836
MASERATI	60	94	1,059	1,218
MAZDA	17,472	20,254	176,283	162,823
323	8,191	8,095	58,577	46,475
626	6,408	9,180	72,355	72,592
RX-7	4,873	2,979	45,351	43,756
MERCEDES BENZ	10,235	4,467	77,232	69,473
190	1,763	1,167	17,077	21,634
260E	120	0	120	0
300	3,012	1,345	22,001	24,463
300SDL Turbo	1,192	0	5,375	0
380	0	1,040	0	15,699
420SEL	1,481	0	12,817	0
500	0	915	0	7,677
560SEL	1,209	0	8,126	0
560SL	1,274	0	9,854	0
560SEC	184	0	1,862	0
MERKUR	1,048	887	12,967	7,271
MITSUBISHI	3,686	4,946	39,694	42,115
Starion	484	233	4,635	4,207
Cordia	358	732	4,155	7,290
Tredia	559	1,189	7,925	9,111
Mirage	1,379	1,299	11,444	11,081
Galant	906	1,493	11,535	10,426
NISSAN	38,578	44,679	422,621	452,412
Sentra	12,326	13,804	142,597	156,830
Pulsar	2,597	4,756	38,742	41,723
Stanza	6,026	6,694	56,652	53,004
Maxima	9,105	9,095	96,189	81,482
200SX	4,334	4,775	39,419	56,487
300ZX	3,901	5,006	45,364	56,881
Hawaii	289	549	3,658	6,005
PEUGEOT	1,554	1,437	11,707	13,990
PORSCHE	2,114	2,407	24,756	20,280
924S	413	0	2,406	0
944	547	1,260	8,074	13,071
944S	92	0	92	0
944 Turbo	282	377	5,699	468
911 Coupe	306	369	3,512	3,630
911 Turbo	77	68	1,135	76
911 Cabriolet	158	78	1,703	974
928S	239	255	2,135	2,061
RENAULT	226	650	3,666	6,324
18i	226	170	2,274	2,064
Fuego	0	480	1,392	4,260
SAAB	3,949	3,016	40,720	32,393
900	1,069	811	12,281	9,218
900S	1,304	816	12,679	9,545
900 Turbo	735	1,348	7,122	12,680
9000 Turbo	763	0	7,913	0
Tourist	78	41	725	950
SUBARU	15,356	16,112	155,654	146,403
Hatchback	941	1,395	14,156	12,952
3 Door	1,286	0	9,947	0
4-Door Sedan	3,805	4,711	43,293	47,772
XT	1,969	1,452	20,739	11,136
Station Wagon	6,883	8,206	64,132	70,957
Brat	472	348	3,487	3,586
TOYOTA	53,536	60,554	502,060	517,115
Corolla	12,410	15,791	121,038	142,849
Tercel	7,231	7,623	59,047	77,838
Celica	8,189	9,964	87,840	62,131
Supra	3,555	1,228	26,688	21,306
Camry	13,553	13,600	118,985	104,272
Cressida	3,430	4,458	34,191	38,756
Land Cruiser	384	665	3,393	3,239
Van	1,919	2,317	17,019	28,742
4Runner SR 5	466	547	4,707	4,496
MR2	1,822	3,227	24,178	27,027
Hawaii	577	1,134	4,974	6,459
Other	0	0	0	0
VOLKSWAGEN	9,969	11,758	122,765	119,702
Cabriolet	985	778	12,152	10,974
Jetta	6,087	7,455	81,226	68,892
Vanagon	1,044	1,134	10,474	15,367
Quantum	1,063	1,462	9,604	12,122
Scirocco	790	929	9,309	12,347
VOLVO	8,915	8,453	103,254	92,146
240 Series	3,895	4,372	49,779	46,638
740 Series	3,979	3,015	43,333	32,856
760 Series	891	933	9,208	10,999
Tourist	150	133	934	1,653
YUGO	4,129	899	27,636	1,277
IMPORT TOTAL	272,552	266,265	2,656,876	2,334,688

PRODUCTION

GM strike cuts U.S. car output

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Production of domestic cars dipped last week from the previous week's output as nine General Motors assembly plants closed for varying periods because of a strike at Delco Electronics Corp. in Kokomo, Ind.

Two other GM plants and part of a third were down for inventory adjustment.

Although the strike was settled early Friday (Nov. 21), GM was unable to say when workers would return to their jobs. The strike cost GM about 3,600 cars.

Delco workers walked out last Monday (Nov. 17), citing health and safety issues.

Last week's targeted production of 165,476 was 6.33 percent below the prior week's 176,658 and 7.11 percent below the year-ago week's 178,138.

Automakers assembled their 7-millionth car of the year last Wednesday (Nov. 19), almost three weeks behind 1985.

So far this year, 7,083,991 units have been assembled, 4.50 percent below the 7,417,637 completed last year at this point.

Companies split last week's scheduled output as follows: GM, 50.83; Ford Motor Co., 24.41 percent; Chrysler Motors, 14.32 percent; Honda of America Manufacturing Inc., 4.02 percent; New United Motor Manufacturing Inc., 2.54 percent; Nissan Motor Manufacturing Co., U.S.A., 1.76 percent; Volkswagen of America, 1.21 percent; and American Motors, 0.91 percent.

Here are the GM assembly plants and number of employees laid off by the Delco Electronics strike: Wilmington, Del., 3,600 workers; Fairfax, Kans., 5,000; Linden, N.J., 2,000; Lake Orion, Mich., 5,600; Willow Run, Mich., 4,200; Bowling Green, Ky., 1,000; Detroit (Clark Avenue), 5,500; Detroit-Hamtramck, 3,500; Wentzville, Mo., 6,000.

The 2,000 workers that had been temporarily idled at GM's Flint, Mich., plant are expected to return to work today. They had been laid off for inventory adjustment. The Fiero and G-car plants in Pontiac, Mich., also were down for inventory adjustment last week.

Chrysler's St. Louis (No. 1) plant resumed output last week. The plant had been down for model changeover since mid-July.

Ford slated Saturday (Nov. 22) overtime at its Wixom, Mich.; Edison, N.J.; and Wayne, Mich., plants.

Chrysler's Sterling Heights, Mich., plant was scheduled for overtime last Saturday.

Sterling Heights and Chrysler's Belvidere, Ill., and Newark, Del., plants are slated for daily overtime this week.

Goodyear buys out Goldsmith

CRAIN NEWS SERVICE

AKRON, Ohio — Goodyear Tire & Rubber Co. has kept control of its company, but the victory will cost about $3 million.

The company agreed Nov. 20 to pay Sir James Goldsmith and his partners $49.50 for each of their 12.5 million shares in the world's largest tire maker, or about $618.8 million. The European financier owns about 11.5 percent of Goodyear's shares. The stock had been trading at $41.75 on Nov. 19, the day before the buy-back was announced.

In addition, the company said it would pay Goldsmith for unspecified expenses and protect him against certain claims.

As part of the deal, Goldsmith agreed not to buy any Goodyear stock for five years.

Goodyear also announced a tender offer for 40 million of its outstanding shares at $50 per share cash, or $2 billion.

The company will carry out its previously announced plan to shed its Celeron Corp., Goodyear Aerospace Corp. and Motor Wheel Corp. subsidiaries. The restructuring came in response to Goldsmith's accumulation of shares for a takeover, and it reversed Goodyear's previous strategy of diversification.

In addition, Goodyear will implement early retirement programs and a wide range of cost-cutting measures.

"In my opinion, the sight of whole communities rising up against an unwarranted takeover attempt was the major factor in Goldsmith's decision to sell out," said Robert E. Mercer, chairman and chief executive officer of Goodyear.

Goldsmith said his move was influenced by pending legislation in Ohio that could have seriously impaired his bid. The proposed laws, for example, would have allowed Ohio companies to issue new shares with special voting rights to third parties without shareholder approval.

U.S. truck build dips during week

United States truck makers targeted production of 71,424 units last week, 1.77 percent below the previous week's 72,709 and 9.17 percent below the year-ago week's 78,632.

Due to a strike at Delco Electronics Corp. in Kokomo, Ind., General Motors cut out one shift on its van line at the Lordstown, Ohio, plant last Friday (Nov. 21). It idled 1,032 of the plant's 6,000 employees. The strike was settled early Friday (Nov. 21).

GM scheduled Saturday (Nov. 22) overtime for its heavy-duty line in Pontiac, Mich. Saturday overtime also was slated at Ford Motor Co.'s Lorain, Ohio, plant.

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

All plants will be closed Thursday and Friday (Nov. 27-28) for Thanksgiving.

Canada passes truck milestone

Canadian makers built their 700,000th truck of the year last Tuesday (Nov. 18), 11 days later than in 1985.

So far this year, 709,925 trucks have been assembled, 7.65 percent fewer than the 768,730 completed last year at this point.

Last week's scheduled truck output of 13,672 was 30.06 percent more than the previous week's 10,512 and 28.81 percent below the year-ago week's 19,205.

Car production was targeted at 25,695 units last week, 13.93 percent more than the previous week's 22,554 and 1.67 percent more than the year-ago week's 25,272.

So far this year, 951,052 cars have been built, 3.60 percent below the 986,595 completed last year at this time.

A number of General Motors assembly plants in the United States were idled last week (Nov. 17) by a strike at Delco Electronics Corp. in Kokomo, Ind. However, at press-time, no Canadian assembly plants were affected.

CANADIAN CAR	Week Ended Nov. 22, 1986	Week Ended Nov. 23, 1985	Week Ended Nov. 15, 1986	Nov. to Date	Jan. 1 to Nov. 23, 1985	Jan. 1 to Nov. 22, 1986
AMERICAN MOTORS	145	0	145	405	10,083	3,967
FORD MOTOR	11,645	10,741	8,909	34,172	451,093	471,050
GENERAL MOTORS	13,680	14,306	13,320	40,600	516,469	467,065
VOLVO	225	225	180	630	8,950	8,970
Total Cars, Canada	25,695	25,272	22,554	75,808	986,595	951,052

U.S. TRUCK☆	Week Ended Nov. 22, 1986	Week Ended Nov. 23, 1985	Week Ended Nov. 15, 1986	Nov. to Date	Jan. 1 to Nov. 23, 1985	Jan. 1 to Nov. 22, 1986
CHEVROLET	21,164	24,295	22,547	68,285	1,059,345	1,067,067
DODGE	5,000	5,547	4,986	16,008	191,039	126,822
FORD	27,337	30,464	26,705	78,569	1,087,064	1,243,329
GMC	7,933	7,072	8,122	24,656	323,134	328,510
NAVISTAR	1,610	1,486	1,614	4,799	67,112	65,318
JEEP	4,300	5,643	4,285	12,937	208,553	171,407
NISSAN	1,730	2,075	2,100	5,493	98,550	99,867
AM GENERAL*	50	50	50	150	2,280	2,274
MISCELLANEOUS*	2,300	2,000	2,300	6,900	84,953	103,592
Total Trucks, U.S.	71,424	78,632	72,709	217,797	3,122,030	3,208,186

CANADIAN TRUCK	Week Ended Nov. 22, 1986	Week Ended Nov. 23, 1985	Week Ended Nov. 15, 1986	Nov. to Date	Jan. 1 to Nov. 23, 1985	Jan. 1 to Nov. 22, 1986
AMERICAN MOTORS	625	0	640	1,765	0	25,525
CHRYSLER	8,964	9,303	7,611	24,169	354,221	359,519
FORD	2,802	3,624	1,212	5,068	146,205	132,857
GENERAL MOTORS	1,080	6,081	856	2,806	258,205	183,554
NAVISTAR	201	197	193	594	10,099	8,470
Total Trucks, Canada	13,672	19,205	10,512	34,402	768,730	709,925
N. American Trucks	85,096	97,837	83,221	252,199	3,890,760	3,918,111

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Nov. 22, 1986	Week Ended Nov. 23, 1985	Week Ended Nov. 15, 1986	Nov. to Date	Jan. 1 to Nov. 23, 1985	Jan. 1 to Nov. 22, 1986
AMERICAN MOTORS	1,500	2,273	1,500	3,000	103,927	46,842
Renault Total	1,500	2,273	1,500	3,000	103,927	46,842
Alliance	1,500	1,830	1,500	3,000	68,277	43,495
Encore	0	443	0	0	35,650	3,347
CHRYSLER MOTORS	23,700	26,173	27,293	79,799	1,138,627	1,186,310
Plymouth Total	9,600	7,723	10,095	29,875	331,179	379,973
Horizon	3,700	3,131	3,881	11,295	127,637	156,234
Sundance	2,000	0	2,022	5,846	0	27,251
Reliant	3,100	3,250	2,919	8,851	146,078	138,385
Caravelle	800	1,342	905	2,897	43,572	40,517
Gran Fury	0	0	368	986	13,892	17,586
Chrysler Total	3,600	7,876	6,069	16,814	367,893	346,004
Laser	0	1,082	0	0	47,070	26,978
LeBaron	1,200	2,719	1,316	3,720	83,983	77,358
LeBaron GTS	1,000	2,791	1,127	2,997	89,064	58,188
New Yorker/E-Class	1,400	1,284	1,478	4,537	58,117	66,061
Fifth Avenue	0	0	2,148	5,560	92,659	117,399
Dodge Total	10,500	10,574	11,129	33,110	435,555	460,333
Daytona	100	1,076	0	100	42,723	30,443
Omni	3,500	3,065	3,773	10,868	123,133	148,712
Shadow	2,100	0	2,159	6,260	0	26,438
Aries	3,200	3,079	3,011	9,677	121,608	115,146
Dodge 600	900	1,441	967	3,022	59,788	59,281
Lancer	700	1,913	813	2,168	60,937	44,230
Diplomat	0	0	406	1,015	28,366	36,083
FORD MOTOR	40,398	35,464	38,444	116,570	1,486,510	1,578,639
Ford Division	28,602	23,623	28,311	84,721	997,298	1,092,765
Escort	9,081	8,620	8,076	26,396	309,847	343,687
EXP	0	0	0	0	3,838	0
Mustang	3,687	4,695	4,023	10,800	167,250	160,748
Tempo	4,129	5,338	4,247	12,571	169,347	177,101
LTD	0	0	0	0	180,724	0
Taurus	8,439	1,780	8,724	25,299	5,006	290,752
Thunderbird	3,266	3,190	3,241	9,655	154,164	120,477
Crown Victoria	0	0	0	0	7,122	0
L-M Division	11,796	11,841	10,133	31,849	489,212	485,874
Mercury Total	7,075	8,191	6,063	18,422	342,231	322,181
Lynx	1,465	2,250	1,229	4,071	67,222	54,931
Capri	0	595	0	0	17,252	12,344
Topaz	1,272	901	1,222	3,719	49,603	52,645
Cougar	1,407	3,934	968	2,604	117,582	89,607
Marquis	0	0	0	0	83,481	0
Sable	2,931	511	2,644	8,028	2,358	112,354
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,721	3,650	4,070	13,427	146,981	153,693
Continental	467	511	407	1,333	23,027	17,693
Lincoln	3,542	2,737	3,052	10,071	107,715	122,773
Mark VII	712	402	611	2,023	16,239	23,227
GENERAL MOTORS	84,108	105,534	92,606	272,252	4,384,645	3,759,025
Buick Total	12,342	21,235	21,121	54,437	911,900	702,041
Skyhawk	1,852	3,408	1,833	5,637	99,040	76,836
Century	5,863	8,047	5,797	17,322	266,319	206,658
Regal	0	2,547	1,899	3,677	123,390	54,045
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	2,583	1,388	2,658	7,859	109,921	100,815
LeSabre (fwd)	234	1,079	5,261	10,693	5,527	142,394
LeSabre/Electra(rwd)	266	391	328	923	95,143	13,784
Electra(fwd)	1,078	4,170	2,573	6,258	124,760	83,940
Riviera	466	205	772	2,068	46,847	23,569
Cadillac Total	5,364	6,155	7,550	20,586	297,487	287,300
Cimarron	750	617	700	2,174	24,156	21,889
Cadillac (rwd)	794	751	1,295	3,275	36,263	70,080
DeVille (fwd)	3,116	4,432	4,106	11,449	157,263	152,395
Eldorado	421	208	858	2,200	52,052	22,708
Seville	283	147	591	1,488	27,753	20,228
Chevrolet Total	28,111	35,838	30,286	89,458	1,474,679	1,190,025
Chevette	2,489	2,886	2,786	8,046	141,891	94,756
Camaro	3,294	5,008	3,265	9,865	192,763	160,437
Cavalier	9,171	10,196	8,830	26,941	445,827	362,565
Celebrity	6,008	6,324	5,633	18,012	241,085	233,910
Citation	0	0	0	0	28,699	0
Corsica/Beretta	1,052	0	1,354	3,568	0	7,906
Monte Carlo	1,085	2,587	2,418	6,030	125,778	101,426
Chevrolet	4,628	7,837	5,348	15,309	254,620	203,180
Corvette	384	1,000	652	1,687	41,885	25,845
Oldsmobile Total	14,145	23,555	16,504	46,975	1,063,402	854,375
Firenza	492	1,299	785	2,058	56,415	35,393
Calais	2,462	3,033	2,524	7,500	135,675	107,762
Cutlass Ciera	4,604	7,818	4,363	13,389	320,365	216,169
Cutlass Supreme	1,085	5,182	1,832	4,619	213,746	101,620
88 (fwd)	3,764	2,436	3,026	9,708	12,915	255,824
88 (rwd)	219	634	481	1,124	165,840	17,405
Olds 98	1,199	3,003	2,936	7,112	130,112	103,285
Toronado	320	150	557	1,465	28,334	16,917
Pontiac Total	24,146	18,751	17,145	60,796	637,177	725,284
Acadian**	0	782	147	259	14,825	14,376
Fiero	0	2,404	1,792	3,563	103,722	61,647
1000	831	1,536	558	1,939	31,763	18,692
Firebird	9,366	2,680	2,202	13,638	102,782	104,877
2000 Sunbird	2,502	3,496	2,541	7,380	129,476	121,994
Grand Am	5,760	3,588	3,357	15,331	125,213	207,892
6000	2,665	1,636	2,719	8,068	50,258	121,128
Bonneville	2,720	0	3,430	9,538	0	26,007
Parisienne	302	2,629	399	1,080	79,138	48,671
HONDA	6,650	2,609	7,268	21,163	131,325	207,668
Civic	1,650	0	1,645	5,007	0	14,221
Accord	5,000	2,609	5,623	16,156	131,325	193,447
NISSAN	2,920	1,816	3,418	9,368	35,337	51,445
NUMMI	4,200	1,900	4,179	13,403	50,539	177,586
Corolla	1,100	0	1,129	3,581	0	6,097
Nova*	3,100	1,900	3,050	9,822	50,539	171,489
VOLKSWAGEN	2,000	2,369	1,950	5,977	86,727	76,476
Golf/GTI	1,750	2,369	1,700	5,227	86,727	75,226
Jetta	250	0	250	750	0	1,250
Total Cars, U.S.	165,476	178,138	176,658	521,532	7,417,637	7,083,991
Total Cars, Canada	25,695	25,272	22,554	75,808	986,595	951,052
N. American Cars	191,171	203,410	199,212	597,340	8,404,232	8,035,043
N. American Trucks	85,096	97,837	83,221	252,199	3,890,760	3,918,111
North American Cars and Trucks	276,267	301,247	282,433	849,539	12,294,992	11,953,154

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

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GM to save millions by electronic bill-paying

CRAIN NEWS SERVICE

NEW YORK — General Motors has decided to begin paying all of its 20,000 suppliers electronically, a move that will save the company hundreds of millions of dollars and likely will spur other corporations to stop making corporate trade payments by check.

GM now issues 400,000 checks a month, totaling $4 billion.

Benson K. Woo, GM's director of worldwide banking and cash management, said GM will begin to move suppliers for the Chevrolet-Pontiac-Canada Group, the Buick-Oldsmobile-Cadillac Group and the Truck and Bus Group to the electronic system by the end of the year.

Chrysler Corp. now pays 50 major suppliers electronically and hopes to get its other 350 major suppliers — those that produce at least 50 invoices a month — on electronic payments, according to Henry Nauka, general supervisor — accounts payable.

Ford Motor Co. hasn't yet moved to electronic payments.

GM's electronic payments system incorporates several notable features. Among them:

- Company officials have set up a network of eight banks outside the automated clearinghouse (ACH) to handle payments and trade information electronically.
- Working with the banks, GM executives designed the network to allow other banks to join and to allow other industries to use it to send electronic corporate trade payments and trade information.

Electronic Data Systems Corp., Dallas, a GM unit that developed the electronic system, plans to market it to other companies.

- Messages will be compatible with the standard electronic business data interchange standard — known as X12 and developed by the American National Standards Institute — which allows receiving companies to update their accounts receivable automatically without having to re-key the data manually.
- GM will encourage its suppliers to receive all trade information electronically — not just payments — to enhance their trade relationship and save costs, said Woo.

At a minimum, he said, suppliers will have to receive payments electronically. For suppliers unable or unwilling to move completely to electronic data interchange, GM will use the ACH to send payments to them, while sending trade information separately either in electronic or paper form.

He indicated that suppliers that do not move to a complete elec-

AUTOMOTIVE NEWS JOE WILSSENS

Prep department employee at Village Ford, Dearborn, Mich., checks store's stock of Escorts and EXPs. Ford is offering 3.9 percent financing on both models.

3-tier plan from Mitsubishi

Korea, U.S., Japan to supply 1988 lineup

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LA JOLLA, Calif. — Changing conditions will create an unconventional, three-tiered sourcing and pricing structure for Mitsubishi Motor Sales of America by 1988.

It will consist of entry-level cars from Korea, mid-level volume cars built in America and upscale and specialty cars and trucks from Japan, said Richard Recchia, executive vice president — general operations.

Next March, MMSA will start importing 30,000 entry-level cars a year from Korea's Hyundai Motor Corp., in which Mitsubishi Motor Corp. holds a stake. This move will boost volume otherwise restricted by allocations on Japanese car exports to the United States.

The two-door cars from Hyundai will be based on the same platform as the current Hyundai Excel, which essentially is a one-generation-old Mitsubishi Mirage-Dodge Colt.

To make room for it, Mitsubishi will drop the Mirage two-door hatchback and boost imports of the four-door Mirage, Recchia said. The dropped Mirages will give MMSA more of the higher-priced Cordia, Tredia, Starion and Galant imports.

Available volume will get another boost for 1988 with the startup of Diamond-Star Motors Corp., a joint venture of Chrysler Corp. and Japan's Mitsubishi Motors Corp. The output of the new assembly plant in Bloomington-Normal, Ill., will eventually grow to as much as 240,000 units annually, split equally between MMSA and Chrysler.

The cars Diamond-Star builds for MMSA will be marketed as mid-priced Mitsubishis. At that point, the Japanese export allocation will go only to higher-priced units such as the luxury Galant or lower-volume specialty cars like Starion, Recchia said.

see MITSUBISHI, page 54

Incentives grow; AMC Chevy join

By Edward Lapham and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

The current wave of incentives grew last week. American Motors replaced its dealer-rebate program with a retail low-interest-rate/rebate incentive, and Chevrolet Motor Division responded to Ford Motor Co. with a cash rebate to buyers of Cavaliers.

Chrysler Motors added incentives on its imported trucks.

The Chevrolet program offers $300 cash on all 13 Cavalier models. The program started Nov. 25 and covers retail deliveries from dealer inventories through Jan. 5.

A GM spokesman said the program is strictly "a response to the Escort and in no way is in conflict with" GM's promise to avoid annual-percentage-rate retail incentives.

Chrysler Motors started the retail incentive wave with an announcement Nov. 20 that it would offer cash or cut-rate loans on Aries, Reliant, pickups and vans. Last week, Chrysler expanded the program to include 1986 and 1987 imported Ram-50 and Power Ram-50 compact trucks.

The Chrysler plan runs through Jan. 20 and offers buyers interest rates of 3.9 percent on 24-month contracts, 4.9 percent for 36 months, 5.9 percent for 48 months ad 9.9 percent for 60 months, or $500 cash.

Last week, AMC replaced its dealer-rebate incentives that had been announced hours after Chrysler's package came across the wire.

AMC now will offer zero-percent APR financing for 24-month loans on 1986 Alliances, Encores and Jeep Comanches. AMC is offering 5.9 percent on 36-month contracts and 8.9 percent on 48-month contracts on 1986 Alliance,

see INCENTIVES, page 53

Custom vans win major role in auto sales

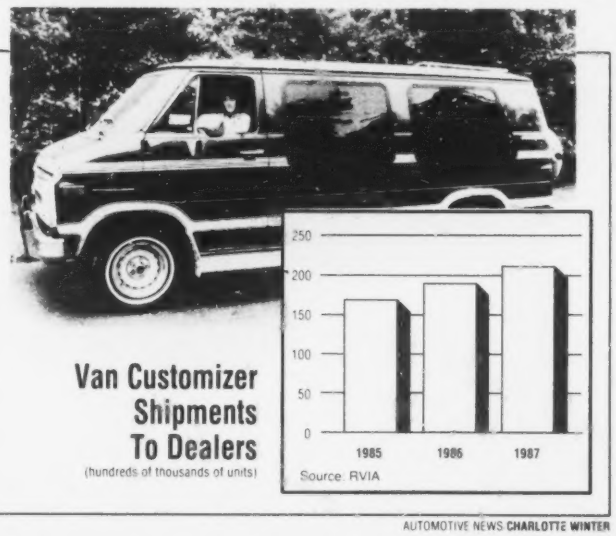
By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The recreational-vehicle industry has become an increasingly important stimulus to auto company and auto dealer sales, particularly through its van-customizing operations.

Customized vans, the largest single segment of the RV business, now account for half of all shipments.

As Dave Tarrant, Ford Division RV/OEM sales manager, said, the auto industry wouldn't have sold nearly the record 1.2 million vans it sold in the 1986 model year without the help of customizers.

Tarrant added that September 1986 was Ford's best retail sales month ever for RV vehicles going through its consignment pools — i.e., vans for customizing and cutaways for motor homes. October was the company's second-best month.



AUTOMOTIVE NEWS CHARLOTTE WINTER

Bob Rieth, special vehicle manager for Chevrolet, expects the RV industry to generate more than 100,000 sales for Chevrolet in the 1987 model year — 60,000 in vans for customizing and another 40,000-45,000 in chassis for motor homes.

RV manufacturers are expected to wholesale an estimated 386,000 units in calendar 1986, according to John W. DeWolf, an independent analyst for the Recreational Vehicle Industry Association.

That is up from 359,200 in 1985,

see RV, page 30

About face: Iowa dealers on fleet law

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

After working to pass a law to ban fleet incentives, the Iowa Automobile Dealers Association board of directors has voted to seek repeal of that same law.

The law banned incentives for business and rental fleets, and became effective in July. Iowa is the first state to enact such a law.

It forbids auto makers from selling cars to fleet buyers at prices lower than those given to auto dealers. Automakers argue that the lower prices are justified because large fleet orders give them economies of scale and allow them to smooth out otherwise bumpy production schedules.

Gary Thomas, executive vice president of the Iowa dealer association, said in a telephone interview with Automotive News that the

see REPEAL, page 53

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More Daewoos headed for GM — Page 2
Engineering shuffle at Chevy, C-P-C — Page 3
Mid-month sales climb without help — Page 56

Autolatina

VW and Ford to cut losses with merger in Brazil, Argentina; VW's share 51%

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO — Ford Motor Co. and Volkswagen AG last Tuesday revealed details of the agreement to merge their subsidiaries in Brazil and Argentina.

The new unit, which will bear the name Autolatina Ltda., will be owned 51 percent by the German manufacturer and 49 percent by Ford. It will be presided over in Sao Paulo by Wolfgang Sauer, currently president of VW do Brasil. Wayne Booker, Ford Brasil president, becomes general manager.

Ford's tractor-making and consumer electronics operations in Brazil are not included in the deal.

The merger of the two groups' operations seeks primarily to cut overhead and reduce losses, which have become almost endemic in South America's two most important auto markets. The losses stem in part from government intervention, high local-content requirements and the economic climate.

There is still some question about the future of VW do Brasil's minority shareholders — the government of Kuwait and the Monteiro Aranha Group. Sauer revealed that negotiations are going on to swap each group's 10 percent for one percent of stock in the parent Volkswagen AG.

The new group is significant in its own right. Installed capacity at its 15 plants — 10 in Brazil and five in Argentina — totals 900,000 vehicles. Autolatina thus ranks about 11th in the world.

The group currently employs 75,000 people and has annual sales of $4 billion. It starts life with $1.8 billion in equity and, according to Booker, plans to invest $1 billion during the next five years in retooling and updating facilities.

Brazil's market absorbs some one million vehicles a year. VW is the market leader with around 40 percent and Ford is third with about 20 percent, following General Motors.

In Argentina, a market of some 150,000 units a year, Ford is the bigger. It ranks third with 19 percent while VW, a newcomer, is fourth with 13.5 percent. The front runners are Sevel and Renault. Sevel assembles Fiats, Peugeots and GMC vans.

This year VW's Brazilian sales (domestic and export) will be 380,000 while Ford's will be 195,000 in the country. In Argentina, Ford will sell 32,000 vehicles and VW will sell 23,000.

The total of 630,000 sales this year means the group has about 30 percent spare capacity. The aim is to minimize costs, particularly in Brazil which has the basics for a successful auto industry.

The problem, at least as far as Brazil is concerned, is that price controls have existed since 1977 in one form or another. Both VW and Ford have been in the red since 1981 as a result. This year, the German-owned company predicts a loss of $100 million, while Ford may lose as much as $40 million to $60 million.

And yet both companies want to stay in Brazil — for its domestic market potential and its prospects as an export base.

A recent study by the country's auto manufacturers' association, ANFAVEA, indicates that vehicle production could reach 5 million units by 1995 compared with 1.2 million today. Of that total, 3.5 million would be for export, according to ANFAVEA President Andre Beer.

Ford sends Cargo trucks from Brazil to the United States (a target of 10,000 units a year) and provides other truck lines in the United States and elsewhere with Brazilian diesel engines.

VW do Brasil, meanwhile, is embarking on a major export program to the United States, with a plan to ship 100,000 Fox sedans and station wagons a year. It is also to export 10,000 medium-sized trucks a year to be distributed by PACCAR, of Seattle.

Both companies have sorely felt the lack of full engine lines in the face of GM, which has 1.6-, 1.8- and 2.0-liter engines. VW's engine line tops out at 1.8 liters, while Ford currently has only a 1.6-liter and an export-only 2.3-liter. One idea is to power VW's Santana sedan with the Ford engine, for which there is spare capacity.

At the same time, the VW 1.8-liter engine could provide an interesting addition to the Escort. Ford's old 1.6-liter Corcel engine is even being considered for VW's new subcompact, the BY.

Autolatina wants to swap Brazilian Escorts for Argentine Sierras, and the potential for similar trade in parts is considerable. The problem is that Argentinian parts are more expensive to produce than Brazilian parts.

Meanwhile, the VW operation in Argentina, which assembles kits from Brazil, is earmarked for closure. Its functions will be transferred to one of the Ford plants in the country.

Behind Autolatina's formation, however, are the plans for economic integration of the two countries.

VW to spend $15 billion on product, plants by '91

Hahn: VW Group will surpass 3 million car sales in 1987.

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

WOLFSBURG, West Germany — Volkswagen Group will spend the equivalent of $15 billion during the next five years to bring out new products and equip its plants.

VW Chairman Carl Hahn predicted that in 1987, the company will for the first time surpass 3 million car sales (including Audis and Seats) worldwide. He said VW will hold on to first place in the European sales race even with Alfa Romeo part of the second-place Fiat Group.

Hahn dismissed as "a lot of hysteria" concern on European stock markets about a drop in net profits reported by VW Group for the first nine months.

Although VW will cooperate with Ford Motor Co. in South America, Hahn said the two companies are not a good match in Europe. He also said VW is disinclined to help Chrysler Corp. return to the European market by participating in a joint agreement.

Hahn said that Audi, saddled with troubles in the United States caused by publicity surrounding unexpected acceleration of Audi 5000s, will get back on track next year with introduction of the new 4000.

To build on VW's recent emergence as Europe's leading manufacturer, Hahn said the company will spend heavily in the next half-decade. The investment plan is part of a strategy to move upwards in production scale and sales.

"We will reach a spending pattern in our investment worldwide of better than 5 billion D-marks ($2.48 billion)," he said. "We plan for the next five years to invest better than 30 billion deutschemarks in new hardware and new products."

In the short term, he said, capacity increases will be achieved by "mobilizing the potential of Seat and mobilizing still hidden reserve capacities in our plants." Seat is the Spanish carmaker in which VW has taken a majority stake in preparation for a full takeover.

"We plan to increase Audi production next year from about 390,000 to 450,000," he said, citing a large backlog of orders for the new Audi 80 (4000 in the United States).

"There is no factory left of ours where production will not be increased," Hahn said. "But we don't have the idea of investing in a new plant, except for the (Seat) plant outside Barcelona."

The VW-Audi-Seat group is on

see HAHN, page 54

LeMans

More cars slated for North America

By Andrew Tank
STAFF CORRESPONDENT

Pontiac plans to introduce its LeMans June 11.

SEOUL, South Korea — Gun-Woo Park, general director of the export division of Daewoo Motor Co. Ltd., said he expects to ship about 120,000 LeMans subcompacts to Pontiac and 30,000 to 40,000 to General Motors of Canada in the first year of exports.

Park's figures are higher than those given recently by GM Chairman Roger Smith, who said imports would range from 80,000 to 100,000.

Pontiac Motor Division plans to introduce its LeMans June 11. GM of Canada hopes to launch it later in 1987.

"Pontiac has asked us for more, and GM of Canada wants them as soon as possible," said Park.

Daewoo Motor's $425 million LeMans assembly line at Pupyong now has a capacity of 167,000 cars a year. That is expected to rise to 278,000 in 1988. If extra orders are forthcoming from North America, it seems likely that Daewoo Motor will exceed its projected LeMans production of 140,000 units in 1987 and 167,000 in 1988.

There were reports that Pontiac planned to launch the LeMans as early as January or February. Park denied there has been a delay.

In the long term, Daewoo Motor hopes to broaden its export market. In Park's office, there is a map of the world with pins — indicating prospects — stuck in virtually every major city in Asia, Africa and South America. He also hopes to sell to Japan, but reckons Europe will be unlikely, since GM's Opel is already well established there. LeMans is an Opel design. He said an international marketing plan is still in the early stages, although a study group has been set up to investigate the complexities of entering the Japanese market.

Initially, most exports will be marketed through GM outlets, as in North America. But in Third World markets, Daewoo Motor might set up its own dealerships. GM owns 50 percent of Daewoo Motor, with the rest held by Daewoo Corp.

It recently signed an agreement with Nissan to make minivans and coaches. It permits Daewoo Motor to export those models to markets where Nissan does not have a manufacturing plant.

Park said he hopes to start exporting vans, too. However, Daewoo plans to make only 17,000 vans in 1987 and 30,000 in four years' time. Most will be absorbed by the domestic market in Korea.

Yue Loong: Nothing less than Feelings

TAIPEI, Taiwan — Yue Loong Motor Co., one of Taiwan's top auto manufacturers, has introduced its first self-developed compact car, called the Feeling 101.

In a separate development, the San Fu Industrial Co. has reached an agreement with Isuzu Motors Ltd. and General Motors to produce Isuzu's Trooper utility vehicle for export, according to the Free China Newsletter.

According to the newsletter, the car, designed and manufactured by Yue Loong, was unveiled here at the World Trade Center Complex by Vivian Wu Yen, chairman and president of Yue Loong, during a reception for government officials and business leaders. Lee Ta-hai, economic minister of Taiwan, was on hand to congratulate Wu Yen and the company for developing its own compact car.

Yue Loong, which is 25-percent owned by Nissan Motor Co., has been producing cars with Nissan's technical assistance. However, the Feeling 101 was produced solely by Yue Loong's own engineers and workers at its Sanyi plant in central Taiwan.

William Chao, chairman of the Council for Economic Planning and Development, praised the company for introducing the first car "with the country's own brand name" and called for continued efforts by domestic car makers to produce more locally built cars in the future.

"There is a long and difficult path to go," he said. "However, I call on you to overcome the difficulty and struggle for breakthroughs, so that more Chinese-made cars may run on the streets in the big cities around the world."

Although details of the car's production were not announced, Yue Loong officials revealed that the first 1,500 units of the 1.5-liter Feeling 101 were already sold through advanced orders. The company said it also plans to introduce domestic standard- and automatic-transmission models of its 1.6-liter Grand Tour car.

The Nissan-San Fu agreement, said to have been under discussion for some time, was firmed up after the Taiwanese firm obtained consent from Renault to go ahead with the project. Renault is currently providing San Fu with technical know-how for the production of Renaults in Taiwan.

San Fu officials were quoted as saying if all goes as planned, production of the vehicles will begin next March or April. The vehicles will be produced for Isuzu, which in turn will market them in the United States and Europe through GM's dealer network.

According to the publication, the agreement calls for San Fu to produce 40,000 Troopers annually in its existing facilities, while Isuzu will provide $100 million in production equipment, components and techniques for vehicle assembly.

Two years after the start of production, San Fu said Taiwanese manufacturers are expected to provide 30 percent of the components for the Trooper.

Levy expected to head Renault

PARIS — Long-time European steel industry executive Raymond Levy emerged last week as the frontrunner to take over as chairman of Renault.

Sources at the French automaker said Levy was a clear favorite to replace Georges Besse, who was assassinated Nov. 17.

Levy, 59, has been president of Belgium's Cockerill steel group since June 1985. He previously headed the state-controlled Usinor steel group in France, but was dropped by the then-Socialist government.

Levy was expected to be nominated late last week by the officials in the French government, which owns Renault. The nomination must be approved by the company's board of directors and ratified by the French cabinet.

The Renault board meeting scheduled for last Tuesday was canceled, apparently because top ministers had not then decided on a successor for Besse.

Levy has an appropriate background for taking charge at Renault. He was schooled at the Ecole Polytechnique, the prestigious French engineering school which produced Besse and several other titans of French industry. He also studied at the Massachusetts Institute of Technology.

Delco strike ends; parts lag hobbles GM

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

With the just-in-time inventory system backfiring, crippled General Motors assembly plants continued to close last week, even after a settlement was reached in the Delco Electronics strike.

Twenty assembly plants and four component plants have been affected by the five-day strike, which resulted in the layoff of more than 60,000 employees. Two assembly plants resumed production last week, and 11 are slated to come back this week. The other assembly plants will be down until Dec. 8.

Members of UAW Local 292 in Kokomo ratified an agreement Nov. 22 and some work resumed at the plant that night. But the assembly plants continued to go down last week as their thinned supplies of Delco radios and electrical components quickly dried up.

In a domino reaction, several component plants that supply the assembly plants closed down because their customers were not operating.

Other component plants, such as those of Fisher Guide Division, have used the delay to build inventories. A Fisher Guide spokesman said that there is a possibility that a few people will be affected at two of its plants this week.

Meanwhile, officials at UAW locals said the success of the Delco strike demonstrates that job loss through subcontracting and outsourcing can be curbed through a strike — or the threat of a strike.

In the Delco settlement, GM agreed to build radios in Kokomo, Ind., rather than in Mexico and to return subcontracted work to the local.

A UAW source remarked, "People who say that the strike has no place in modern labor strategy are wrong."

However, a source at a UAW local representing Ford Motor Co. workers said that Ford is less vulnerable to a massive shutdown, because just-in-time is less widespread at Ford.

UAW Vice President Donald Ephlin, head of the union's GM Department, said that the strike was the result of a breakdown in procedure.

Ephlin said that under the GM agreement, the union is notified of a plan to outsource. "We sit down and talk, and we're supposed to find a way to keep the work in house," he said. "We regularly succeed in doing that.

"Obviously that's the better result."

A UAW spokesman in Detroit said that, in the Delco settlement, GM also agreed to make a cash payment to some 400 workers affected by the subcontracting to other U.S. firms and to clean up plant areas the union claimed were health and safety hazards.

He said the agreement included some job classification reductions. Ephlin said the union agreed to "adjustments which were called for under the circumstances." He said no concessions were made, but he did not elaborate. Officials at Local 292 could not be reached for comment.

A GM spokesman said the company had no comment on the settlement.

The UAW views outsourcing and subcontracting as twin threats to job security. But Ephlin said outsourcing out of the United States also means "the better paying blue-collar jobs are going overseas. We consider the exporting of so many of our jobs a very serious problem."

Though companies claim they have to outsource certain products to be competitive, Ephlin said, "We don't necessarily agree to that. They sell their products in the U.S.; it is essential to provide jobs to Americans so they can buy those products."

Ephlin said that though most radios are outsourced to foreign countries, "We're proud that radios are still being made in Kokomo and will be in the future."

Ephlin said the United States needs an industrial policy to deal effectively with the "bloodletting" caused by foreign competition. He said that toward that end, he will serve on a new national Competitiveness Committee, which will be announced this week.

But he said that gains can be made at the bargaining table to curb outsourcing. He noted that provisions in the 1982 and 1984 national agreements "make it more difficult for a company to outsource."

For example, workers who lose their jobs because of outsourcing are eligible for the job bank and receive wages, benefits and, in

see STRIKE, page 54

Japanese dip predicted as import sales increase

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Having satisfied pent-up demand in the U.S. market, the auto industry faces flat sales in 1987 and Japanese car sales will actually decrease, according to auto analyst Maryann Keller.

Speaking at the annual meeting of the Automotive Trade Association, National Capital Area, Keller predicted that the Japanese government will retain quotas at their current level of 2.3 million cars; however, higher prices resulting from the increased valuation of the yen will result in fewer sales for the first time since 1979.

However, she expects total import-car sales to increase by 200,000 units to 3.3 million in 1987, largely due to the presence of two Korean imports, Hyundai and the forthcoming Daewoo-produced Pontiac LeMans; Lincoln-Mercury's Mexican-built Tracer; and Volkswagen's Brazil-sourced Fox.

Keller predicted that sales will decline in both the car and truck sectors, to 10.3 million-10.5 million cars in 1987 (compared to 1986's forecast of 11.7 million) and to 4.3 million trucks (compared to 1986's forecast of 4.6 million).

She predicted that sales of imported light trucks will rise, however, from 800,000 units this year to 900,000 in 1987.

"The car market is reshaping itself," she said, adding that competitive, more than economic, forces are at work.

Keller: "The car market is reshaping itself."

For the first two years of this recovery cycle, demand outstripped supply, Keller said. But now the business has moved into a new phase in which overcapacity and competition are pressuring automakers. The change, according to Keller, "began in late 1985 when GM was caught with an enormous inventory of cars and offered the first mega-finance-rate incentive program."

It was the beginning of the phase in which car companies had to prod consumers to buy, she said. gram, she said.

Keller said that another factor that will depress sales is the record consumer debt level. That will translate into flat sales for several years, she said.

Keller sees the U.S. market of the future more closely resembling the Japanese and European markets today. There, manufacturers are competing for share in a robust market, yet are losing money.

Today, "the United States is the only major profitable market in the world," she said. Both European and Japanese manufacturers count on profits here to sustain them in their home markets. If those profits go away, the worldwide auto industry is due for some major changes, she said.

It will be a market in which incentives will be part of the normal business pattern and manufacturers will be "fighting for shelf space." As a result, dealers — especially mega-dealers — will become more important, Keller said.

The number of supermarket mega-dealers will increase, and "the era of public ownership of car dealerships is near," Keller predicted. Public ownership "opens up huge capital markets" heretofore unavailable to dealers.

Perhaps the only stumbling block would be dealers' reluctance to relinquish total control to "an amorphous group of stockholders," she said.

Keller is vice president of Furman, Selz, Mager, Dietz & Birney.

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61st year—No. 5156

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GM reported trying to sell EDS

Automaker denies it's on block, but AT&T tells of talks

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Just two years ago, General Motors was counting on its Electronic Data Systems subsidiary to lead its technological charge into the 21st century.

But now there are reports that GM recently considered selling EDS. And although GM has denied that its computer services company is for sale, analysts were quick to speculate on the situation following a Wall Street Journal article (Nov. 17) that reported GM had talked with AT&T about selling all or part of EDS.

AT&T later confirmed that it had wide-ranging discussions with the automaker "that didn't preclude investment." A GM spokesman said EDS was not for sale and when asked if it had been offered, would not comment further.

However, GM Chairman Roger Smith, in an interview published in the Detroit Free Press (Nov. 26), said, "EDS isn't for sale; we have never had it on the block or anything like that."

He said that GM and AT&T have continual talks because EDS is a large customer of AT&T. "We are discussing some other things with AT&T that would result in some different arrangements involving EDS and maybe even Hughes Aircraft," Smith said.

On several fronts, the sale of EDS would be understandable, analysts said. But overall they see the GM-EDS linkup, despite the problems it has created, as a venture worth preserving.

Among the possible motives is money. By selling EDS, GM could bolster its cash reserves by several billion dollars. Although analysts doubted that GM could get its reported asking price of twice the $2.5 billion it paid for EDS in 1984, a sale would likely have brought a substantial gain. The price was reportedly an issue in the discussions.

Another consideration may have been EDS Chairman H. Ross Perot. The founder of EDS, now a GM board member, has been an outspoken critic of GM corporate policy. He has accused GM's top brass of being alienated from customers and has called for the end of some executive perks.

According to analysts, the comments have stung GM's tightly knit board. Selling EDS would solve the problem.

The EDS talks may also reflect GM's second thoughts about its approach to new technology.

Philip Fricke, an analyst with Goldman Sachs & Co., said the discussions appear to have stemmed from GM's announcement last spring that it was cutting capital spending.

In addition, he said, GM has questioned whether the level of technology at its highly automated Hamtramck, Mich., assembly plant, for example, is necessary to produce a quality product. Problems with the new technology led to production delays after the plant opened in 1985.

In other moves this year, GM has scaled back spending for its Saturn project and has shelved other programs, such as its hi-tech GM80 project to replace the Pontiac Firebird and Chevrolet Camaro.

"Perhaps within the total reassessment, it stands to reason that the role of EDS may also be reassessed," Fricke said.

GM's absorption of EDS has taken longer and has been more expensive than expected. The cultural clash that resulted when thousands of GM workers switched to EDS has been well publicized. But despite the problems, other analysts contend that GM and EDS have made significant strides in integrating operations.

In addition, they point out, other factors would make the sale of EDS a questionable move.

On a practical front, EDS would be hard to unravel from GM. Though the merger itself was hardly smooth, analysts said, se-

see EDS, page 54

GM shuffles C-P-C engineering bosses

Several top engineering executives at General Motors' Chevrolet-Pontiac-Canada Group were shuffled into new positions last week, as the division named new chiefs for Chevrolet engineering, C-P-C advanced engineering and C-P-C vehicle engineering.

Effective today F.J. Schaafsma, most recently head of the now-defunct GM-80 Camaro-Firebird replacement program, takes over at Chevrolet engineering, replacing Donald L. Runkle, who becomes director of advanced engineering for C-P-C.

Kenneth R. Baker, whom Runkle replaces, becomes C-P-C director of vehicle engineering, replacing D.R. Genord, who moves to product assurance and test validation.

C-P-C said the assignment juggling was prompted in part by the impending retirement of Russell Gee, group director for powertrain systems, who will depart Jan. 1.

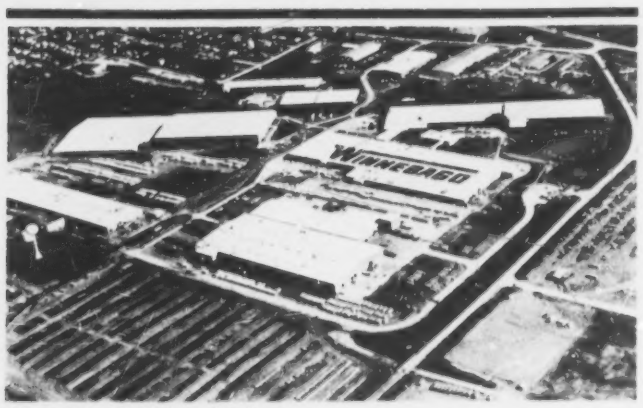
Also, Jerry Rivard will move from director of test validation to a new position as manager of carryover car programs, reporting to R.J. Schultz, vice president and group director of engineering for C-P-C.

Schaafsma's "extensive background at Chevrolet" helped win him the job as engineering chief for the division, C-P-C said. He came to Chevrolet in 1965 and was promoted to assistant staff engineer for vehicle development and tests in charge of the Camaro program in 1979 and the Corvette program in 1981.

Schaafsma was named chief engineer for the Celebrity, Monte Carlo and Citation in 1983 and moved to the GM-80 program in 1984.

Runkle joined Chevrolet in 1968. In 1982 he was named chief engineer for the Camaro, Caprice and international programs. Later that year he joined Buick as assistant chief engineer. He was appointed head of Chevrolet engineering in 1984.

Baker began his career at Buick in 1969 and was promoted to assistant chief engineer in 1978. In 1979 he was named project manager for GM car programs. Three years later he rejoined Buick as manager of advanced design and special projects. In 1984 he became assistant chief engineer for the Buick-Oldsmobile-Cadillac Group. A year later, he was appointed head of C-P-C advanced engineering.



Winnebago's twin milestones
Winnebago Industries Inc., Forest City, Iowa, marked two milestones by producing its 200,000th motor home and commemorating 20 years of motor home manufacturing. Winnebago uses automotive-type manufacturing in its 2.5-million square-foot facilities which include sophisticated chassis lines for four-wheel-drive vehicles.

Sept. brings 13% increase in shipments

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale shipments of RVs were up sharply in September, according to the Recreation Vehicle Industry Association.

The industry shipped 30,000 RVs in September, up 13.6 percent from September 1985. For nine months of calendar 1986, shipments of 298,900 units were up 4.9 percent from a year earlier.

The industry shipped 14,800 van conversions in September, up 24.4 percent from last year. It shipped 146,100 for the first nine months, up 14.6 percent.

Recreational Vehicle Wholesale Deliveries

	September 1986	September 1985	% change	9 months 1986	9 months 1985	% change
Travel trailers	6,600	6,400	+ 3.1	67,900	67,000	+ 1.3
Folding camping trailers	2,600	2,800	– 7.1	27,600	29,100	– 5.2
Truck campers	500	600	– 16.7	5,800	5,800	0.0
Towable RV total	9,700	9,800	– 1.0	101,300	101,900	– 0.6
Conventional (type A)	2,600	2,300	+ 13.0	24,800	26,500	– 6.4
Van Campers (type B)	600	300	–100.0	4,700	5,500	– 14.5
Chopped vans (all)	2,300	2,100	+ 9.5	22,000	23,500	– 6.4
Motor home total	5,500	4,700	+ 17.0	51,500	55,500	– 7.2
Van conversions	14,800	11,900	+ 24.4	146,100	127,500	+14.6
TOTAL ALL RVs	30,000	26,400	+ 13.6	298,900	284,900	+ 4.9

Source: Recreational Vehicle Industry Association.

Domestic van manufacturers shipped 10,000 full-sized van chassis to converters during the September, off from 15,800 a year ago. They shipped 99,200 full-sized vans to converters during the first nine months, down from 108,200 in like 1985.

However, their minivan chassis shipments of 2,400 units in September were up from 1,300 a year earlier. Nine-month minivan chassis shipments of 23,700 units were up from 3,600 last year.

September motor home shipments of 5,500 were up 17.0 percent from last year. Their nine-month total of 51,500 was off 7.2 percent.

Van converters cater to special needs of buyers

By Patricia A. Kelsey
STAFF CORRESPONDENT

ST. PETERSBURG, Fla. — Mark Megin, owner and president of Sans Vans, of Largo, is an example of today's Florida van converters. He caters to people who can't find what they want in mass-produced factory vans.

Although a smaller converter, Megin has one of the oldest operations in his area. He said his production of 75 units a year allows him to focus on craftsmanship.

Megin sits down with potential customers to spec the van to exact requirements.

His low-line conversion package is about $5,000. With the chassis, prices can run $20,000 to $35,000. His high-top conversion packages are about $7,000.

Megin sells mostly to young professionals, with $50,000-a-year household incomes, and secondarily to persons in the 50-and-up age group who may use a van for travel.

He sells 70 percent of his vans through dealers, 30 percent through direct retail.

DMC Vans, St. Petersburg, has been in operation three years. It produces about 150 units a month, according to owner Dale Mock.

His Florida operation is essentially an outgrowth of a DMC Vans operation in Butler, Wis., which has been in business for 13 years.

DMC distributes through Ford, Dodge, Chevrolet and GMC dealers in Miami, Orlando, Sarasota and the Tampa Bay area.

It offers four low-top and three high-top models, as well as pickups, RVs, campers, Suburbans and Blazers.

Its most popular options are elaborate sound systems, rear air conditioning and rear heating units.

Mock said the conversion market is "fabulous." He attributes it to the downsizing of cars.

The company's lower-priced models are more popular in northern markets because of handling in the snow, while southern markets go for the more expensive units with the rear air and heating units, Mock said.

Mock operates a full-service operation for conversions. He claims to have one of the largest parts and accessories stocking facilities in Florida.

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Incentives end; Canada unhurt

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales in Canada rose 4.9 percent in October despite the expiration of widespread consumer incentives.

Canadian dealers delivered 65,837 cars in October compared to 62,720 in September. Incentive programs, which had been offered by General Motors, Ford Motor Co. and Chrysler Motors for all of September, expired early in October.

Even though October car sales were better than September's, they were 5.0 percent below those of October 1985 when Canadian dealers delivered 69,361 cars.

Sales for the first 10 months of 1986 were off 1.9 percent from the same period in 1985. The 10-month total was 678,365 this year compared to 691,546 last year.

GM accounted for the biggest September-to-October car sales increase. Sales rose 16.7 percent to 35,303 from from 30,239.

A GM spokesman said the 1987 Oldsmobile Delta 88 and Buick LeSabre were strong sellers in October.

Ford recorded a gain of 4.3 percent from September, as sales rose from 15,075 to 15,727. A Ford spokesman said sales were steady throughout October despite the fact that Ford incentives expired after the first week of the month. Combined sales of Taurus and Sable set a record of 3,389 units — 2,449 for Taurus and 940 for Sable.

Showing September-to-October declines in car sales were Chrysler Motors, down 13.5 percent from 15,502 to 13,399; American Motors, down 37.5 percent from 1,298 to 810; and Volvo, down 1.3 percent from 606 to 598.

Canadian new-truck sales for October improved 4.9 percent from the same period a year ago. The monthly totals were 31,089 this year and 29,626 in 1985. Chrysler was the only truck maker to show a decline.

For the year, truck sales were up 9.5 percent.

CANADIAN SALES

	Oct. 1986	Oct. 1985	Pct. Change	10 mos., 1986	10 mos., 1985	Pct. Change
AMC						
Cars	810	1,793	−54.8	11,399	20,222	−43.6
Jeeps	1,681	1,343	+25.0	12,161	8,827	+37.7
CHRYSLER						
Cars	13,399	14,739	− 9.0	141,347	159,647	−11.4
Trucks	4,991	4,539	− 9.0	52,992	54,774	− 3.2
GM						
Cars	35,303	35,563	− 0.7	354,519	340,108	+ 4.2
Trucks	13,448	13,078	+ 2.0	131,472	116,111	+13.2
FORD						
Cars	15,727	16,591	− 5.0	164,435	164,566	− 0.1
Trucks	10,969	10,666	+ 2.8	105,968	96,465	+ 9.8
VOLVO						
Cars	598	675	−11.0	6,665	7,003	− 4.8
TOTAL CAR	**65,837**	**69,361**	**− 5.0**	**678,365**	**691,546**	**− 1.9**
TOTAL TRUCK	**31,089**	**29,626**	**+ 4.9**	**302,593**	**276,177**	**+ 9.5**

MARKET SHARES
October 1986

Cars	
General Motors	53.6%
Ford Motor Co.	23.9%
Chrysler Motors	20.3%
American Motors	1.3%
Volvo	0.9%
Trucks	
General Motors	43.3%
Ford Motor Co.	35.3%
Chrysler Motors	16.0%
Jeep	5.4%

Exports dip for Toyota, Nissan, Mazda

TOKYO — Three of Japan's major automakers reported declines in both vehicle exports and production for October.

Toyota Motor Corp., Nissan Motor Co. and Mazda Motor Corp. said the downturns resulted mainly from the appreciation in the value of the yen.

Toyota managed to register an increase in domestic sales in October, compared with the same month a year ago.

Industry observers also blamed the overall decline on the Japanese government's curb on car shipments to the European Economic Community and the continuing drastic drop in sales to China, the Middle East, Oceania and other Asian countries.

Toyota, the No. 1 auto manufacturer in Japan, said its exports in October decreased 9.1 percent to 156,988 units for the fourth consecutive month-to-month decline compared with last year. The October total included 102,825 cars, down 0.7 percent from October 1985.

Toyota said its production totaled 337,632, down 0.1 percent from the volume recorded in the same month last year. Toyota's domestic vehicle sales in October spiraled 18.8 percent over last year to 178,255 units.

However, Toyota said its share of the domestic car market (excluding minicars) in October surpassed 50 percent for the first time ever. Sales totaled 144,520 units, and market share was 51.4 percent.

Nissan, Japan's second largest car company, said its October exports totaled 94,853 units, down 18.8 percent from last year. The October figure included 74,675 cars, down 19.0 percent.

Nissan's vehicle production for the month plummeted to 170,175 units, down 20 percent, the biggest year-to-year decline since a 25 percent drop in August 1974, at the start of the first series of oil price hikes. The company's domestic vehicle sales totaled 72,351, down 5.7 percent.

Mazda said October exports dipped 26.7 percent to 53,623 units. The total included 38,368 cars, down 25.0 percent. Mazda's production in October skidded 13.9 percent to 99,182 units, while domestic sales in October were off 0.4 percent at 38,667 units.

Korean unions hope for legal strikes, mediation

By Andrew Tank
STAFF CORRESPONDENT

SEOUL, South Korea — Korea's weakening union movement is hoping to benefit from the reform of labor laws which could also have important implications for the fledgling auto industry.

A package of labor law reforms is being presented in Korea's National Assembly this year. The major changes would reduce the lengthy procedure which presently makes it almost impossible to call a legal strike and would include a provision for an independent arbiter to offer mediation between employers and unions.

Jung Sik Min, president of the Federation of Korean Metalworkers Trade Unions, expects those changes to become law in the current session of the National Assembly.

Actual union organization in Korea is based on the individual company rather than on a national basis. The Metalworkers' Federation is the country's second largest union, with 130,000 members in all fields of engineering industries and about 20,000 in the auto industry.

Hyundai, Korea's biggest auto firm, is not unionized, but the other two major competitors — Daewoo Motor and Kia Motor — as well as many auto parts firms, have fairly strong union structures.

Min's optimism for reform may be premature. The government of President Chun Doo Hwan recently cracked down on labor organizations, students and other political activists, and seems likely to resist moves allowing greater militancy.

Korean unions have been prohibited from any activities the government deems "political" ever since the military coup lead by Gen. Park Chung-hee in 1961. In Korean terms, almost any coordinated industrial action by unions or others can upset the authorities.

There have been strikes — such as a 10-day stoppage at Daewoo Motor last year — but union leaders have generally been punished by the law.

Min said that union claims must be judged according to the financial health of the company. He quoted the example of Kia Motor, which teetered on the edge of bankruptcy in the early 1980s and has emerged as a healthy enterprise due to concerted joint worker-management cost-cutting measures.

Any strength of Korea's auto unions is blunted by the lack of a union at Hyundai and also at Dong-A, a small truck and bus maker. "We're trying to unionize them, but the employers are very strongly against it," Min said.

Autoworkers in Korea are paid about $375 a month, including allowances. Many are working overtime, bringing take-home pay to around $500 a month.

That is about 20 percent higher than the pay of other industrial workers and is close to the average for all workers (including clerical and managerial grades) in manufacturing.

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AUCTION DATES

American Motors

Dec. 2 — D-A Auto Auction, New Stanton, Pa.

Dec. 3 — Metro Milwaukee Auto Auction, Caledonia, Wis., and Minneapolis Auto Auction, Plymouth, Minn.

Dec. 4 — Aptco Auto Auction, Taylor, Mich.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

Dec. 2 — Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Dec. 3 — Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, Ohio; Southwest Auto Auction, Phoenix, Ariz.; and South Seattle Auto Auction, Kent, Wash.

Ford Motor Co.

Dec. 3 — Concord Auto Auction, Acton, Mass., and Golden Gate Auto Auction, Fremont, Calif.

Dec. 4 — Atlanta Auto Auction, Red Oak, Ga.; Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; Nashville Auto Auction, Nashville, Tenn.; and Skyline Auto Exchange, Fairfield, N.J.

General Motors

Dec. 3 — Atlanta Auto Auction, Red Oak, Ga.; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Dec. 4 — Arena Auto Auction, Chicago; Columbus Fair Auto Auction, Obetz, Ohio; Southwest Auto Auction, Phoenix, Ariz.; and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

November, 1986	$5,181
Month ago	$5,196
Year ago	$4,714

Model Breakdown
Auction Averages

	NOV 1986	OCT 1986	SEP 1986
1986	$11,299	$11,574	$11,846
1985	$8,286	$8,414	$8,472
1984	$6,186	$6,215	$6,221
1983	$5,420	$5,442	$5,459
1982	$4,190	$4,216	$4,261
1981	$3,244	$3,277	$3,333
1980	$2,387	$2,424	$2,463
1979	$2,069	$2,086	$2,109
Overall Average	$5,181	$5,196	$5,206

AUCTION DIRECTORY

MINNESOTA

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Dec. 3— AMC Factory Sale. 12 noon plus Regular Consignment Sale
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Ford praised in book on top corporations

Dave Zoia
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. will be portrayed as a prime example of an American company gone right in a book due next year.

Robert Waterman (one of the authors of "In Search of Excellence") will write the untitled book. It will profile 50 U.S. corporations that during the past few years have gone through a period of extensive "change and renewal."

Waterman said Ford stands out as one of the better examples in the book, "because of the company's size and importance to America."

"There's been a fundamental change at Ford in regard to how management treats people," he said. "Ford management woke up to the threat of overseas competition."

Waterman, formerly of McKinsey & Co., San Francisco, now runs his own consulting firm, Waterman & Associates, also San Francisco-based. He and Tom Peters (also formerly of McKinsey) co-authored "In Search of Excellence," a 1982 book detailing exemplary management techniques employed by some U.S. companies.

Waterman admits his new book won't contain the kind of exhaustive research on Ford that David Halberstam undertook for "The Reckoning," his book profiling both Ford and Nissan. Ironically, Halberstam's book cites Ford as an example of what went wrong with the automotive industry in the United States.

But in time spent touring some Ford facilities and talking to workers and top management, Waterman liked what he saw.

Is Ford management that exceptional?

"I'm not sure I'd call them exceptional," Waterman said. "They are just the right people for the times — they're divided up well in terms of interests."

A key attribute of Ford's top executives is their willingness to listen, he said.

"Ford's future looked pretty bad five years ago," Waterman said. "But since then, things have turned around.

"Management has opened up communication lines. They've been very receptive to ideas."

As a basis for his analysis of the automaker, Waterman interviewed several top Ford executives, including Donald E. Petersen, chairman; John Risk, program manager for medium and large front-drive cars; and John J. Telnack, chief design executive, North American Design.

He also hopes to catch up with former Ford Chairman Philip Caldwell and Louis C. Veraldi, current head of luxury and large car engineering and planning, before the book goes to press.

Waterman said he was impressed with Ford's automated Taurus-Sable assembly plant in Chicago, as well as what he found to be a highly motivated workforce.

But he admitted Ford still has room for improvement.

"You see some things that make you wonder," he said. "But the contrast with the way the company was five years ago is like night and day."

The book will be published by Bantam Books.

U.S. site choice near for Subaru-Isuzu plant

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — A site selection for the U.S. plant being built jointly by Fuji Heavy Industries (Subaru) and Isuzu Motors Ltd. could be announced "any time, as soon as this week or maybe in a month," according to an Isuzu spokesman.

Nihon Keizai, a local economic newspaper, reported the automakers "are expected to make a final decision in early December and begin work on establishment of a new firm and construction of an assembly plant, which will begin operating in 1989."

Representatives for the automakers denied as "pure speculation" reports that southeastern Indiana is the likely choice.

Stephen Merrick, who is in charge of operations in Japan for the State of Indiana, also said that a site had not been selected.

Merrick said Indiana Governor Robert D. Orr was in Japan recently but did not meet with officials of the automakers.

Another Midwest representative, who asked not to be identified, said both Greenfield and Lafayette, Ind., were strong contenders.

He also said a debate developed between the two automakers when Isuzu pushed its bus chassis plant at Russellville, Ky., as the site.

However, the source said Isuzu's proposal was shelved because Toyota Motor Corp. already selected Kentucky for its plant, and the Japanese government has been encouraging the industry not to construct more than one factory in any state.

The Japanese newspaper story said the two automakers chose Indiana because the state government offered various preferential measures.

In addition, it said, in Indiana, "Japanese automakers can transport parts and finished cars easily on Route 37, which runs near the state, and hire technicians and ordinary workers from big cities such as Cincinnati."

The plant will produce cars, multi-purpose four-wheel-drive vehicles and small trucks. Output will be split between the two makers.

Sales climb without incentives

The retail car market in the United States, Nov. 11-20, could have been described as a lame duck.

The period fell between sales incentive programs, but its performance, a 6.06 percent gain above the like 1985 period, was relatively strong.

Healthy year-to-year gains were reported by American Honda Motor Co., up 99.42 percent; Nissan Motor Corp. in U.S.A., 25.61 percent; Chrysler Motors, 18.40 percent and Ford Motor Co., 17.14 percent.

The similar 1985 period offered incentives in the form of cut-rate car loans.

In mid-November this year, sales skids were reported by American Motors with a drop of 51.30 percent, Volkswagen's U.S.-built cars at 29.50 percent and General Motors off 4.20 percent.

DOMESTIC SALES

	Nov. 11-20, 1986	Nov. 11-20, 1985
Renault		
Alliance-Encore	975†	2,000†
AMC	145†	300†
AMERICAN MOTORS	1,120	2,300
Chrysler	6,038	8,614
Plymouth	9,644	6,217
Dodge	11,887	8,454
CHRYSLER MOTORS	27,569	23,285
Ford	37,250	31,708
Mercury	11,876	10,781
Lincoln	6,205	4,747
FORD MOTOR CO.	55,331	47,236
Buick	14,203	18,121
Cadillac	7,816	7,183
Chevrolet	37,395	35,808
Oldsmobile	19,920	21,624
Pontiac	18,972	19,878
GENERAL MOTORS	98,306	102,614
VOLKSWAGEN	1,625	2,305
HONDA	8,579	4,302
NISSAN	2,869	2,284
U.S. INDUSTRY TOTAL	195,399	184,326

†—Estimate

Job losses to Mexico in question

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A program to promote Mexico as a low-cost manufacturing base for U.S. companies, initially backed by the Commerce Department, came under fire during a congressional hearing last week.

The department planned to spend more than $166,000 to mail brochures to 120 companies, advertising an early-December exposition in Acapulco to promote investments in that country's "Maquiladora" or "golden mill" area along the U.S.-Mexican border.

The Commerce Department has since backed out of the program and Congress barred the brochure expenditure in the omnibus funding bill approved last October. But the House Economic Stabilization Subcommittee scheduled the hearing to find out about the Commerce Department's initial plans.

In defending the department's role, Alexander M. Good, director general of the U.S. Foreign and Commercial Service, testified that "it (the Maquiladora program) has maintained employment that otherwise would go to the Pacific rim."

Among those disagreeing was the UAW. Steve Beckman, a union economist, said, "The efforts of the Commerce Department to encourage American companies to invest in low-wage countries instead of in this country is, in our judgment, an outrage."

Under the program, U.S. companies setting up assembly operations across the border may ship components, tooling and machinery into Mexico duty-free if the built-up output is exported.

Duty upon re-importation into the United States is assessed only on the Mexican content, which is usually only the low-cost labor.

The Commerce Department claims the program preserves U.S. jobs among supplier industries while offering manufacturers a low-cost alternative to final assembly.

Beckman countered that those supplier jobs "are no substitute for the U.S. jobs lost to the foreign countries that receive the investment. In fact, the U.S. supplier jobs remain when Maquiladora investments are made because they are cost-effective for the company, not because of any 'loyalty' by the company or the proximity of the Mexican border. The question asked by the company is where it can make the biggest profit."

Automotive News appoints reporter, circulation personnel

David Versical, 31, former business editor for the Oakland Press, Pontiac, Mich., has joined the Detroit staff of Automotive News as a reporter.

Versical joined the Oakland Press in 1984 as a general assignment reporter; he subsequently became a business writer and then a copy editor.

Versical

He worked for Gale Research Co., Detroit, from 1978 to 1982, as an assistant editor and later an associate editor.

He is a 1983 graduate of Northwestern University's Medill School of Journalism and received his undergraduate degree from Michigan State University.

Automotive News has also expanded its circulation department.

Leah DiPippo, former account supervisor for Marketing Associates, Bloomfield Hills, Mich., has been named circulation manager. At Marketing Associates, she coordinated the Ford and Lincoln-Mercury corporate, national and dealer programs.

DiPippo

LoPrete

DiPippo also will manage the circulation activities of two other Crain Communications publications, Rubber and Plastics News and Tire Business.

She is a graduate of Western Michigan University.

Thomas R. LoPrete has been named to the newly created position of market information manager. As such, he will track emerging market segments of the auto industry and work with both the marketing and circulation departments of Automotive News.

Before joining Automotive News, LoPrete was an account executive at McCann-Erickson on the Kelsey-Hayes and Fruehauf Corp. accounts. He is a graduate of Wayne State University, Detroit.

Parts marking for 80 cars; NHTSA says most comply

WASHINGTON — NHTSA has selected 80 vehicles to meet parts marking requirements of the government's anti-theft standard for 1987 model year.

In most instances, manufacturers already know which vehicles require marked parts and already comply with the standard, NHTSA said.

The agency said models were selected on the basis of national auto theft data for the models' 1984, 1985 and 1986 counterparts.

Some vehicle designs new for 1987 were included, despite no theft history.

The parts marking requirement is intended to reduce thefts by labeling major vehicle parts with vehicle identification numbers.

NHTSA allowed 12 vehicles that otherwise would have been designated as theft-prone, to avoid parts marking because manufacturers agreed to install anti-theft devices as standard equipment.

Those vehicles include: Sterling (manufactured by Austin Rover), Chrysler Conquest, Cadillac Allante, Chevrolet Corvette, Isuzu Impulse, Mitsubishi Galant and Starion, Nissan Maxima and 300-ZX, Toyota Celica Supra and Cressida and Audi 5000-S.

The Alfa Romeo Milano, Mazda RX-7 and Porsche 924-S do not have to meet the parts-marking requirements for 1987 because the vehicles were introduced as 1987 models before April 24, 1986.

NHTSA's full listing runs as follows:

BMW: 3-series, 5-series, 6-series, 7-series.

Chrysler Motors: Chrysler Executive Sedan/Limousine, Fifth Avenue, Laser, LeBaron/Town & Country, LeBaron GTS; Dodge Aries, Daytona, Diplomat, Lancer, 600; Plymouth Caravelle, Gran Fury, Reliant, Q-coupe.

Ferrari: Mondial, 308, 328.

Ford Motor Co.: Ford Mustang, Thunderbird, Mercury Capri, Cougar, Lincoln Continental, Mark VII, Town Car; Merkur Scorpio, XR4Ti.

General Motors: Buick Electra, LeSabre, Riviera; Cadillac DeVille, Eldorado, Seville; Chevrolet Camaro, Nova; Oldsmobile Delta 88, 98, Toronado; Pontiac Bonneville, Fiero, Firebird.

Honda: Acura Legend.

Jaguar: XJ-S, XJ-6, XJ-40.

Maserati: Biturbo, Quattroporte.

Mazda: GLC, 626.

Mercedes-Benz: 190D/E, 260E, 300D/E, 300TD, 300SDL, 380SEC/500SEC, 380SEL/500SEL, 380SL, 420SEL, 560SEL, 560SEC, 560SL.

Mitsubishi: Cordia, Tredia.

Porsche: 911, 928.

Reliant: SS1.

Saab: 900, 9000.

Subaru: XT.

Toyota: Camry, Celica, Corolla/Corolla Sport, MR-2, Starlet.

Volkswagen of America: Audi Quattro; Volkswagen Cabriolet, Rabbit, Scirocco.

PRODUCTION

Holiday, strike cut car output

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

A combination of the Thanksgiving holiday and the General Motors plant closings, due to the Delco Electronics Corp. strike, drastically reduced last week's targeted production from the prior week's output.

Automakers scheduled 80,162 cars last week, 48.17 percent below the previous week's 154,654, which was also affected by the strike.

Although the strike has been settled, several GM assembly plants remain affected.

Last week's estimated production was 18.99 percent below the year-ago week's 98,954, which was also a holiday week.

So far this year, 7,153,331 cars have been assembled, 4.81 percent below the 7,514,502 completed last year at this point.

Companies split last week's scheduled output as follows: GM, 45.07 percent; Ford Motor Co., 28.22 percent; Chrysler Motors, 15.59 percent; Honda of America Manufacturing Inc., 4.98 percent; Nissan Motor Manufacturing Co., U.S.A., 3.64 percent; Volkswagen of America, 1.50 percent; and New United Motor Manufacturing Inc., 1 percent.

American Motors' Kenosha, Wis., plant was idle last week (Nov. 24) for inventory adjustment.

The plant is not expected to resume output until Dec. 8.

Additional GM assembly plants idled last week (Nov. 24) by the Delco Electronics strike were Van Nuys, Calif., until Dec. 8; Norwood, Ohio, until Dec. 8; Leeds, Mo., until Dec. 8; Lordstown, Ohio, until Dec. 4; and Janesville, Wis., until Dec. 3.

The following GM plants were down all last week because of the strike: Fairfax, Kans.; Bowling Green, Ky.; Detroit (Clark Avenue); Willow Run, Mich.; and Wentzville, Mo. They are scheduled to return to work today (Dec. 1).

GM's Detroit-Hamtramck plant will resume output Dec. 3. Its Lake Orion, Mich., plant returned to work Nov. 24, and the Wilmington, Del., plant resumed production Nov. 25. Both were down because of the strike.

GM will close its Fiero plant in Pontiac, Mich., Jan. 5 for two weeks for inventory adjustment.

On Jan. 19, production at that plant will be reduced from two shifts at 22 cars per hour to one shift at 30 cars per hour. About 600 employes will be laid off as a result of the adjustments.

There was no Saturday (Nov. 29) overtime slated at any car plants due to the Thanksgiving holiday.

Japan firms to produce parts in U.S.

TOKYO — Two Japanese parts manufacturers have announced plans to establish manufacturing facilities in the United States, which would supply components to both Japanese and U.S. automotive assembly plants.

Stanley Electric Co., Tokyo, said it has formed a joint parts venture in Battle Creek, Mich., with Kyokuto Boeki Kaisha Ltd., a trading firm, to produce automotive electrical components.

Showa Mfg. Co., Tokyo, will construct a plant in Sunbury, Ohio, by early 1988 to make shock absorbers primarily for U.S. and Canada-produced Hondas.

The Stanley Electric venture, capitalized at $1 million, will be owned 60 percent by Stanley Electric, 30 percent by Kyokuto and 10 percent by the Ohio-based Stanley Electric U.S. Co. Stanley Electric's wholly owned subsidiary.

The company will produce and market a wide range of parts including car lamps and electronic components. They will be offered to Japanese and U.S. car manufacturers, which are stepping up U.S. output to cope with the yen's rise against the dollar, according to Hisao Fujiwara, Stanley Electric general manager.

"We can't help but undertake U.S. production because we were requested to do so by our clients, including Mitsubishi Motors Corp., Honda and Toyota Motor Corp.," he said.

MMC owns 3.2 percent of Stanley Electric, while Honda has a 4.2 percent stake in the company.

Showa, which is 36.4 percent owned by Honda, will produce some 1.6 million shock absorbers annually for Honda and other automakers.

Metals group renamed ASM International

METALS PARK, Ohio — The American Society for Metals has changed its name to ASM International.

ASM said the change resulted from increased use of materials such as composites, ceramics, plastics and electronics.

Truck build OK for Thanksgiving

Last week's scheduled truck output decreased from the previous week's build due to the holiday and the General Motors plants affected by the Delco Electronics Corp. strike.

Estimated production of 49,221 units last week was 18.68 percent below the prior week's actual build of 60,531 but was 8.01 percent more than the year-ago week's 45,569, which also included the Thanksgiving holiday.

So far this year, 3,246,514 units have been assembled, 2.44 percent more than the 3,169,192 completed last year at this time.

Here are the GM plants and number of workers that were idle at various times last week due to the Delco Electronics strike: St. Louis, 1,800; Moraine, Ohio, 2,470; Pontiac, Mich., 1,900; Shreveport, La., 2,200; and Flint, Mich., 6,257.

Because of the holiday, there was no Saturday (Nov. 29) overtime slated at any truck plant.

Canadian auto production slides

Canadian automakers targeted production of 24,544 cars last week, 4.48 percent below the previous week's 25,695 and 0.13 percent more than the year-ago week's 24,512.

So far this year, 975,596 units have been assembled, 3.67 percent below the 1,012,769 completed last year at this point.

Truck output was scheduled at 13,102 units last week, 5.73 percent below the prior week's 13,899 and 31.09 percent below the year-ago week's 19,012.

So far this year, 723,254 trucks have been built, 8.21 percent below the 787,935 assembled last year at this time.

A strike at Delco Electronics Corp. in Kokomo, Ind., forced General Motors to close its plant in Ste. Therese, Quebec, last Tuesday (Nov. 25).

The plant is expected to resume production Dec. 3.

Chrysler Motors' Pillette truck plant in Windsor, Ontario assembled its one millionth Dodge Ram Van/Wagon last Friday (Nov. 28).

CANADIAN CAR	Week Ended Nov. 29, 1986	Week Ended Nov. 30, 1985	Week Ended Nov. 22, 1986	Nov. Est.	Jan. 1 to Nov. 30, 1986	Jan. 1 to Nov. 29, 1985
AMERICAN MOTORS	145	410	145	551	10,493	4,112
FORD MOTOR	11,393	9,223	11,645	45,565	462,326	482,443
GENERAL MOTORS	12,781	14,654	13,680	53,381	530,775	479,846
VOLVO	225	225	225	855	9,175	9,195
Total Cars, Canada	24,544	24,512	25,695	100,352	1,012,769	975,596

U.S. TRUCK☆	Week Ended Nov. 29, 1986	Week Ended Nov. 30, 1985	Week Ended Nov. 22, 1986	Nov. Est.	Jan. 1 to Nov. 30, 1986	Jan. 1 to Nov. 29, 1985
CHEVROLET	20,614	14,336	8,904	76,639	1,074,223	1,075,421
DODGE	2,900	2,786	6,007	19,915	194,886	130,729
FORD	17,235	16,575	27,917	96,364	1,104,113	1,261,144
GMC	1,510	4,196	7,751	25,984	327,196	329,836
NAVISTAR	1,272	905	1,608	6,089	67,999	66,588
JEEP	2,550	3,427	4,286	15,473	211,771	173,943
NISSAN	1,730	1,294	1,708	7,201	99,721	101,575
AM GENERAL*	30	50	50	180	2,330	2,304
MISCELLANEOUS*	1,380	2,000	2,300	8,280	86,953	104,972
Total Trucks, U.S.	49,221	45,569	60,531	256,125	3,169,192	3,246,514

CANADIAN TRUCK	Week Ended Nov. 29, 1986	Week Ended Nov. 30, 1985	Week Ended Nov. 22, 1986	Nov. Est.	Jan. 1 to Nov. 30, 1986	Jan. 1 to Nov. 29, 1985
AMERICAN MOTORS	630	0	640	2,410	0	26,170
CHRYSLER	9,169	9,328	8,964	33,338	353,524	368,688
FORD	2,115	3,557	3,016	7,397	149,829	135,186
GENERAL MOTORS	988	5,923	1,080	3,794	264,286	184,542
NAVISTAR	200	204	199	792	10,296	8,668
Total Trucks, Canada	13,102	19,012	13,899	47,731	787,935	723,254
N. American Trucks	62,323	64,581	74,430	303,856	3,957,127	3,969,768

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Nov. 29, 1986	Week Ended Nov. 30, 1985	Week Ended Nov. 22, 1986	Nov. Est.	Jan. 1 to Nov. 30, 1986	Jan. 1 to Nov. 29, 1985
AMERICAN MOTORS	0	0	1,502	3,002	103,450	46,844
Renault Total	0	0	1,502	3,002	103,450	46,844
Alliance	0	0	1,502	3,002	68,107	43,497
Encore	0	0	0	0	35,343	3,347
CHRYSLER MOTORS	12,500	16,561	23,899	92,466	1,154,420	1,198,959
Plymouth Total	5,200	4,896	9,691	35,198	335,702	385,284
Horizon	1,800	1,847	3,200	12,855	129,398	157,594
Sundance	1,000	0	2,227	7,073	0	28,478
Reliant	2,000	1,935	3,285	11,036	146,028	140,570
Caravelle	400	749	919	3,416	44,314	41,088
Gran Fury	0	125	0	995	13,982	17,594
Chrysler Total	2,100	6,522	4,070	19,394	373,068	348,574
Laser	0	669	0	0	47,752	28,978
LeBaron	900	1,853	1,492	4,912	85,602	78,538
LeBaron GTS	500	1,582	1,086	3,586	90,355	58,786
New Yorker/E-Class	700	789	1,490	5,317	59,001	66,881
Fifth Avenue	0	630	0	5,580	89,358	117,396
Dodge Total	5,200	6,363	10,126	37,938	441,629	485,181
Daytona	200	675	250	450	43,239	30,792
Omni	1,700	1,719	3,131	12,199	124,988	150,043
Shadow	1,000	0	2,324	7,484	0	27,892
Aries	1,900	1,765	2,588	10,975	122,487	116,144
Dodge 600	400	774	900	3,512	89,529	59,771
Lancer	300	1,104	835	2,603	61,850	44,889
Diplomat	0	226	0	1,015	28,586	36,090
FORD MOTOR	22,821	18,624	40,736	136,529	1,505,413	1,601,586
Ford Division	15,919	12,093	28,943	100,870	1,009,474	1,108,922
Escort	3,688	4,444	9,085	30,369	314,250	347,379
EXP	0	0	0	0	3,839	0
Mustang	2,467	2,278	3,456	13,006	169,515	162,984
Tempo	2,388	2,793	4,280	15,841	172,170	178,571
LTD	0	0	0	0	180,724	0
Taurus	5,409	968	8,536	30,805	6,039	296,258
Thunderbird	1,953	1,802	3,566	11,908	155,816	122,730
Crown Victoria	0	0	0	0	7,122	0
L-M Division	6,705	5,541	11,893	36,651	495,941	492,676
Mercury Total	4,271	4,351	7,174	22,792	346,790	326,551
Lynx	982	1,155	1,461	4,729	68,416	55,599
Capri	0	458	0	0	17,737	12,344
Topaz	646	444	1,196	4,286	50,109	53,215
Cougar	1,093	2,017	1,540	3,899	119,630	90,833
Marquis	0	0	0	0	82,461	0
Sable	1,870	277	2,977	9,944	2,675	114,570
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	2,434	2,190	4,719	15,859	148,151	186,125
Continental	241	305	467	1,574	23,332	17,934
Lincoln	1,826	1,844	3,541	11,896	108,343	124,598
Mark VII	367	241	711	2,389	16,476	23,593
GENERAL MOTORS	36,131	57,734	73,101	257,376	4,442,300	3,784,149
Buick Total	6,044	12,679	11,858	39,987	923,634	707,801
Skyhawk	0	1,924	1,729	5,514	190,871	76,713
Century	3,519	4,928	5,977	20,955	270,453	210,291
Regal	0	1,725	11	3,888	124,828	54,056
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	1,588	833	2,410	9,274	110,824	102,230
LeSabre (fwd)	937	594	234	11,630	6,158	143,331
LeSabre/Electra(rwd)	0	142	288	926	85,341	13,757
Electra(fwd)	0	2,463	915	6,895	127,364	83,777
Riviera	0	170	313	1,915	46,842	23,416
Cadillac Total	2,509	3,537	5,370	23,101	300,919	289,815
Cimarron	0	331	585	2,009	24,499	21,724
Cadillac (rwd)	0	511	702	3,183	36,585	69,988
DeVille (fwd)	2,509	2,398	3,521	14,363	180,059	155,309
Eldorado	0	184	336	2,117	52,037	22,625
Seville	0	113	224	1,429	27,739	20,169
Chevrolet Total	8,297	19,136	26,076	95,720	1,494,668	1,196,287
Chevette	1,595	1,414	2,424	9,577	143,381	96,287
Camaro	1,972	2,939	2,618	11,161	195,838	161,733
Cavalier	0	5,087	9,283	27,033	451,187	362,657
Celebrity	3,603	2,693	5,675	21,282	244,456	237,180
Citation	0	0	0	0	28,689	0
Corsica/Beretta	475	0	1,004	3,995	0	8,333
Monte Carlo	651	1,566	869	6,465	127,353	101,861
Chevrolet	0	4,858	3,913	14,594	259,138	202,465
Corvette	0	579	310	1,613	42,485	25,771
Oldsmobile Total	10,077	11,735	13,378	56,285	1,074,951	863,885
Firenza	491	761	899	2,956	57,096	35,291
Calais	1,525	1,732	2,307	8,870	137,510	109,132
Cutlass Ciera	2,783	4,145	4,880	16,298	324,136	218,988
Cutlass Supreme	651	3,009	1,087	5,272	216,841	102,273
88 (fwd)	2,739	0	2,529	11,233	12,791	257,319
88 (rwd)	216	442	197	1,318	166,174	17,589
Olds 98	1,317	1,536	1,485	8,725	132,006	104,898
Toronado	375	110	213	1,733	28,327	17,185
Pontiac Total	9,204	10,647	16,419	62,273	648,128	726,761
Acadian**	0	435	486	755	15,807	14,872
Fiero	1,048	1,388	0	4,611	165,154	62,895
1000	376	741	950	2,434	32,528	19,187
Firebird	1,298	1,801	2,188	7,758	104,447	98,987
2000 Sunbird	1,497	1,633	2,455	8,830	131,242	123,444
Grand Am	3,158	2,288	4,839	17,568	127,422	210,129
6000	1,599	850	2,600	9,602	50,960	122,662
Bonneville	0	0	2,597	9,415	0	25,884
Safari/Parisienne	228	1,671	294	1,300	80,768	48,801
HONDA	3,990	1,598	6,928	25,131	132,674	211,836
Civic	990	0	1,801	5,948	0	15,162
Accord	3,000	1,598	5,027	19,183	132,674	196,474
NISSAN	2,920	1,133	2,898	12,286	36,428	54,343
NUMMI	900	1,900	3,894	13,897	51,679	178,080
Corolla	200	0	1,039	3,720	0	6,236
Nova	600	1,900	2,855	10,177	51,679	171,844
VOLKSWAGEN	1,200	1,404	2,006	7,183	88,156	77,882
Golf/GTI	1,050	1,404	1,756	6,783	88,156	77,282
Jetta	150	0	250	400	0	400
Total Cars, U.S.	80,162	98,954	154,654	590,872	7,514,502	7,153,331
Total Cars, Canada	24,544	24,512	25,695	100,352	1,012,769	975,596
N. American Cars	104,706	123,466	180,349	691,224	8,527,271	8,128,927
N. American Trucks	62,323	64,581	74,430	303,856	3,957,127	3,969,768
North American Cars and Trucks	167,029	188,047	254,779	995,080	12,484,398	12,098,695

*—Revised estimate. **—All Acadians sold built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News

December 8, 1986

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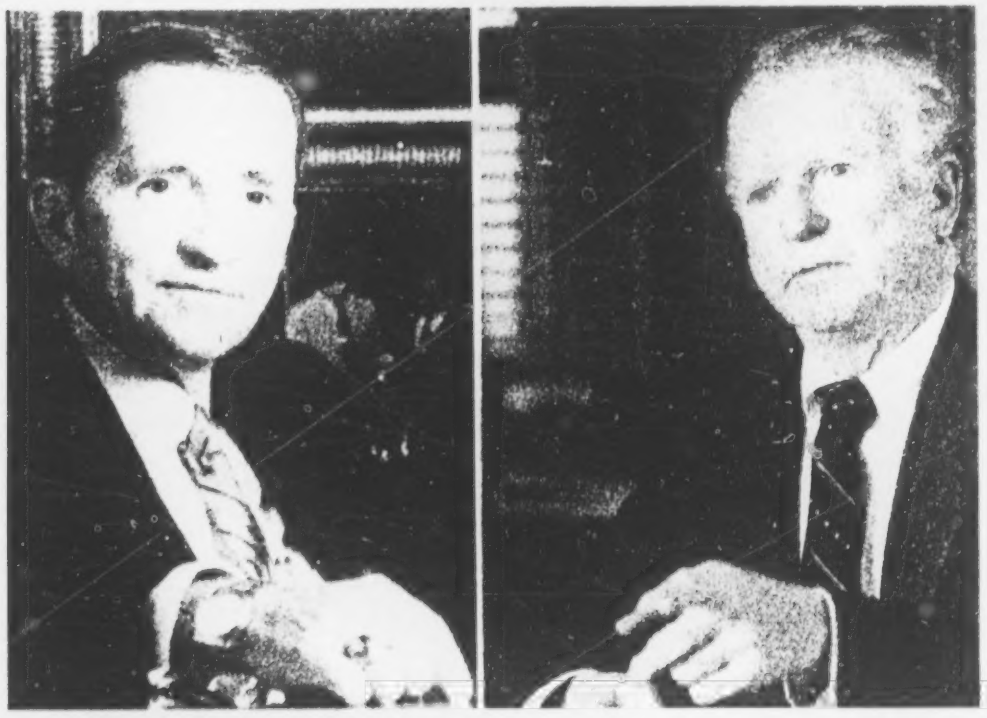


SHOWDOWN

Smith-Perot rift ends in $750 million buyout

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

It was what experts on corporate chemistry might have expected when two strong personalities find themselves heading in opposite directions in the same boardroom.

General Motors Chairman Roger B. Smith and H. Ross Perot, chairman of GM's Electronic Data System subsidiary and GM's single biggest shareholder, brought their two-year partnership to an end last week.

And to the thousands who looked on, the professed commitment to link the nation's No. 1 automaker with the technological expertise of a top computer service firm seemed to lose its luster because of two individuals not getting along.

Perot, who in recent months had become increasingly outspoken in his criticism of GM, agreed to step down from the GM board and relinquish his EDS chairmanship in exchange for $700 million — roughly twice the market value of his shares. And Perot got a similar deal for his closest long-time associates, bringing them another $50 million.

Those top EDS executives — Morton H. Meyerson, J. Thomas Walter Jr. and William K. Gayden — will divide the $50 million for leaving the company.

EDS's new chief executive is its current president, Lester Alberthal. In one analyst's view, Alberthal will use his quiet style to restore some sense of calm inside EDS and refocus attention on its business.

GM also announced that it was linking its high-technology defense and electronics units into a single business group. It will include EDS, Hughes Aircraft, Delco Electronics and GM's defense operations.

The group, which has not yet been named, will be headed by Donald Atwood, GM's executive vice president and a GM board member.

"We believe that this new operational alignment will be an important and logical step for GM as we continue to devote our energies and resources to

see PEROT, page 61

Layoffs extend to new plants amid GM woes

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

General Motors announced last week it will slash production at three of its newest plants and lay off 4,500 workers.

To GM workers and to the communities involved, the action seemed part of the ominous wave that analysts predicted would follow GM's recent plant-closing announcement.

Ironically, the recent layoffs involve the high-tech plants that produce GM's luxury cars — the same plants GM says are replacements for the doomed older facilities.

GM plans to lay off 1,000 employees at its Orion Township, Mich., plant beginning Jan. 5, cutting production 12 percent. The plant assembles Cadillac DeVille, Fleetwood sedan and Oldsmobile 98 Regency.

Another 1,000 workers will be laid off Jan. 5 at GM's Wentzville, Mo., plant, cutting production 12 percent. It assembles Buick Electra and Fark Avenue and Oldsmobile 98 and Delta 88 models.

The second shift at Detroit-Hamtramck will be shut down Feb. 2, affecting 2,500 workers and cutting production in half. The plant assembles the Oldsmobile Toronado, Buick Riviera and Cadillac Eldorado and Seville.

A GM spokesman said it was reasonable to assume that slowdowns at its assembly plants will eventually mean layoffs at its component operations.

UAW Vice President Donald F. Ephlin, head of the union's GM Department, said of the 4,500 layoffs that GM's "shocking announcement is further evidence of the deepening crisis facing GM and its employees."

He said he hoped that GM's top management and board of directors would "devote as much attention and concern" to the laid-off workers and their families as they did to the "internal management problem" involving H. Ross Perot.

Ephlin also said that — since GM's 1986 profits are expected to be lower than 1985's — the union anticipates little or no profit-sharing payout for this year. That is particularly galling to workers who gave up traditional fixed wage increases in 1984 in exchange for a profit-sharing program.

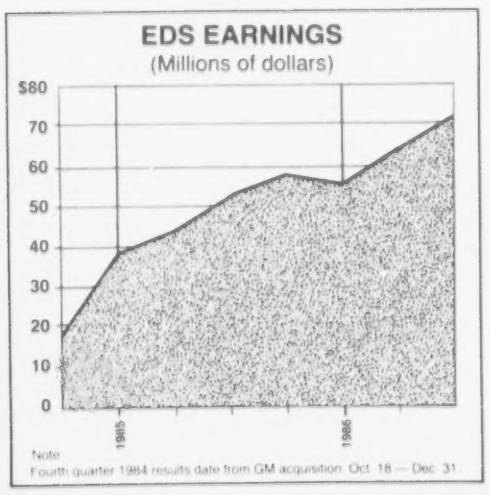
The new layoffs came on the heels of GM's domestic-car sales plunge in November of 13.1 percent from a year ago. They seem tied to GM's plans to close nine plants and parts of two others permanently over the next three years, eliminating 29,000 jobs.

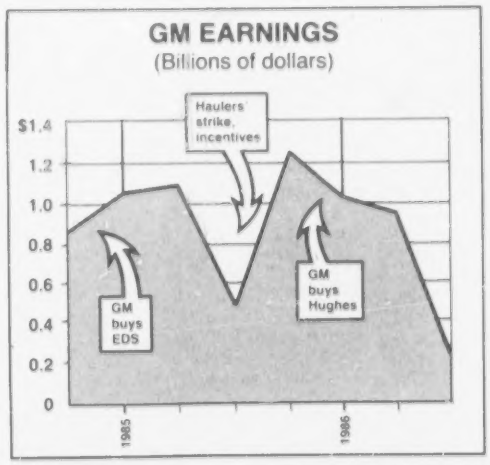
Doug Ross, Michigan Department of Commerce director, said the permanent closing of the older plants — though a blow to many communities — had been anticipated. He called the cutbacks at new plants "distressing."

But GM said the production cutbacks at its luxury-car plants are an alternative to expensive incentive programs. GM's 2.9 percent financing incentives last summer are blamed for part of its $338.5 million third-quarter operating loss.

Auto analyst Arvid Jouppi said GM's recent layoffs are not related to its planned plant closings.

see CUTBACKS, page 61





AUTOMOTIVE NEWS: CHARLOTTE WINTER

Bricklin named importer of Malaysia's Proton Saga

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The man who introduced the Yugoslavian-built Yugo to the United States will do the same with Malaysia's Proton Saga.

Proton America Inc., a newly created subsidiary of Malcolm Bricklin's Bricklin Industries, was named the exclusive U.S. importer last week. A letter of intent was signed between Proton, Bricklin Industries and Proton America Dec. 3 in Kuala Lampur.

The new subsidiary is planning to import between 80,000 and 100,-

AUTOMOTIVE NEWS: ANDREW TANK

Malaysia's Proton Saga

000 units during the first year. William Prior, recently named president of Bricklin Industries,

see PROTON, page 62

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Hyundai sets 250,000 sales goal for 1987 — Page 2

Audi fights back against 'runaway' woes — Page 3

Sales are flat, but production drops — Pages 66-67

Audi fights bad publicity on runaway cars

By Dave Zoia
AUTOMOTIVE NEWS STAFF REPORTER

For the first time, Audi of America is going on the offensive to counter negative publicity surrounding its flagship model, the 5000-S.

Rocked by reports of unintended acceleration in the 5000-S, Audi has vowed to "do whatever it takes" to offset the bad press that has contributed to a 15 percent decline in U.S. sales during the past year.

Last week, the importer launched an aggressive national advertising campaign to dispel conclusions drawn by CBS News' "60 Minutes" in a scathing report on Audi and the 5000-S. The report was broadcast last month.

"We've started running ads and we've written a number of letters to dealers and owners attempting not only to counteract the ("60 Minutes") report, but really more to educate (consumers) as to the issue and assure them we are building safe cars," said John B. Damoose, newly named vice president in charge of Audi of America. "We plan to continue that as long as necessary.

"We've spent about $1 million," he told Automotive News last week. "But we will go substantially beyond that if that's what it takes to educate the world to the fact that we are stepping up to this problem."

The ads, which ran in The Wall Street Journal, USA Today and 100 newspapers in 33 major U.S. markets, claim that "60 Minutes" looked for an "easy answer" to the complex problem of unintended acceleration and made Audi appear the "villian."

The ads note that unintended acceleration is an industry crisis and that other makes of cars, including Nissan, Ford, Toyota, General Motors, Volvo, Honda, American Motors/Renault and Mercedes-Benz, have been investigated by NHTSA for the same problem.

The ads also cite Audi's automatic shift lock, which requires that the brake be engaged before the car can be shifted out of park, as proof the company is "looking for solutions" to the unintended-acceleration problem.

In a letter to "60 Minutes," Damoose said the program's contention that the shift lock mechanism may be ineffective was "tragic." It "may have convinced thousands of Audi owners not to have this safety device installed," Damoose wrote.

In another letter, Damoose urged Audi 5000 owners to have the shift lock installed. But so far, the mechanism has been put on only 36,000 of the 250,000 1978-86 automatic transmission-equipped Audi 5000s on U.S. roads.

Audi also has taken the campaign directly into dealer showrooms, providing potential customers with booklets explaining the company's position on unintended acceleration.

By the end of the month, the importer will unveil the "Audi Advantage," a new series of programs designed to provide more extensive "cradle to grave" service for Audi customers.

Audi's decision to face the sudden acceleration problem head-on in its advertising and letter campaign represents a departure from past policy and is the first visible effect of Damoose's input at the division. Damoose came to Audi just three weeks ago from Dodge, where he was general marketing manager.

"I took this job because I believe there is a real opportunity for this franchise in this country," Damoose said. "I'll tell you what, I wouldn't have taken it if I didn't think so."

The next step for Audi is to wait for the results of NHTSA's investigation, which company officials think will exonerate the 5000-S. The safety agency is expected to conclude its report within the next few weeks.

But Audi's big chance to rebuild will come next fall, when it introduces a replacement for the 4000 model, already achieving success in Europe as the Audi 80.

"That car will enhance our sales substantially," Damoose said. "We're certainly looking forward to a big introduction in this country."

Even before the 4000 replacement debuts, Audi will try to establish itself as a leader in automotive technology. The image development is critical to Audi's future, Damoose believes, because additional luxury car entries on the way to the United States from Japan will intensify competition in Audi's market sector.

When the smoke clears, Audi hopes to reemerge as a serious contender in the U.S. market for luxury/performance sedans. The firm predicts it could post annual sales volumes approaching 100,000 units within the next three to five years.

Automotive News/Arthur Flax

Joining hands are, from left: Akira Soejima; Yasuo Yamamoto; Robert D. Orr and John M. Mutz.

Indiana wins Fuji-Isuzu plant; workers to decide unionization

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

LAFAYETTE, Ind. — Fuji Heavy Industries, maker of Subaru cars, and Isuzu Motors will build their $500 million assembly plant for cars and trucks on an 869-acre site in central Indiana, 66 miles north of Indianapolis.

The Lafayette plant, scheduled for completion in late 1989, is to produce 120,000 units annually, 60,000 by each company. Groundbreaking is scheduled for next spring. Eventual capacity is to be 240,000 units per year.

The plant is scheduled to initially produce 1990-model Subaru sedans and station wagons and Isuzu Trooper sport-utility vehicles and P'up pickup trucks.

John E. Reilly, senior vice president and general manager of American Isuzu Motor Co., said, "By 1990, there is a definite possibility we will be producing new models there."

State, local and federal funding will amount to $86 million, accord-

see FUJI-ISUZU, page 65

L-M trims Merkur dealer ranks

Division tries to strengthen franchise as it awaits Scorpio

By Dave Zoia
AUTOMOTIVE NEWS STAFF REPORTER

Lincoln-Mercury Division is cutting back on the number of Merkur retail outlets, just as it prepares to add two new vehicles to its line of high-performance luxury cars.

So far, more than 50 of the 700 original Merkur franchises in the United States have been called back, Thomas J. Wagner, L-M general manager, told Automotive News last week.

"We've gone out and talked to the dealers who sold none or one or two last year and told them we would buy back their sign, parts and cars," Wagner said. "And we will continue to press the people who aren't giving the franchise its due, to resign.

"Will we ever reach the BMW total?" Wagner asked rhetorically, referring to the German makes dealer organization of about 430. "No, we'll never get that low.

"But we'll keep watching them. And the fact that we're out there and the dealers know that we've asked some to resign clearly says that we're trying to strengthen the franchise."

The cutback is due in part to the Merkur's disappointing sales. When Merkur franchises first were doled out in 1985, projections called for sales of 20,000 XR4ti models annually.

Wagner: "We will continue to press the people who aren't giving the franchise its due, to resign."

But actual retail deliveries of the import from Ford of Europe failed to reach 9,000 units in 1985. Less than 13,000 were sold through the first 10 months of 1986.

With the addition of two new Scorpio models to the Merkur line in April, the division is trying to ensure that the disappointing launch of the XR4ti is not repeated.

Ford is convinced it has succeeded in tailoring the Scorpio to meet demands of the American market, after delaying the car's introduction several months for modifications.

Efforts are being made to shore up the retail end as well, with L-M pressuring dealers to designate one or two sales and service people who know the product to handle all Merkur customers. As it is, Merkur buyers often are more knowledgeable about the car than salespeople, Wagner said.

Scorpio will be offered in two models, one priced around $20,000 and the top-of-the-line targeted at about $25,000, putting it in competition with such imports as the Audi 5000 and the Volvo 7 series. Profit margin is expected to equal that of the Lincoln Town Car.

About 8,000 Scorpios will be sold in the United States in the first year, Wagner said.

Addition of the Scorpio and the Mexican-built Mercury Tracer means imports could account for about 20 percent of L-Mercury sales in the United States in five years, Wagner said.

The Mazda-designed Tracer will retail for about $8,000 when it debuts in the spring as a two-door and four-door hatchback. A station wagon will be added in the fall of 1987. Sales are forecast at 50,000 units for the first 12 months.

The Tracer is built at Ford's Hermosillo, Mexico, plant. Content is 30 percent Mexican, 60 percent Japanese and 10 percent American. Tracer also is being built in Taiwan for the Canadian market.

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61st year—No. 5157

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GM line of succession: Some too young, some too old

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

Howard H. Kehrl will retire Dec. 31 as vice chairman of General Motors, and the people who watch the industry's personnel gyrations have a whole bagful of possibilities for GM to consider in picking the next occupant of that post.

Kehrl

GM said Kehrl will not be replaced, and that simply added to the speculation. The vacancy is likely to be only temporary, although it may not be filled until next summer.

GM President F. James McDonald will be 65 next Aug. 3 and will retire at the end of August. There are two — perhaps three — prime candidates for that job. The ones who miss out on the presidency may be offered the post of vice chairman.

The three are Donald J. Atwood, 62; Robert C. Stempel, 53; and Lloyd E. Reuss, 50. All are executive vice presidents.

By GM standards, Stempel and Reuss are rather young for the presidency. That makes Atwood a possibility, although he has no car division or overseas experience. Also, he could serve only two years. But those two years would bring Stempel and Reuss closer to the age that GM seems to prefer when electing a president.

So who will be vice chairman? If Stempel becomes president, Reuss might be named vice chairman. If Reuss is annointed, Stempel might get the runnerup job. If Atwood climbs to the top, there could be two vice chairmen.

Two vice chairmen would not be a trailblazing move. GM did it in 1974 when Richard L. Terrell and Oscar A. Lundin were picked — Terrell because he lost the presidency to Elliott M. Estes and Lundin as a fitting reward for a highly esteemed 63-year-old executive.

Kehrl is six months younger than McDonald. His early retirement gives GM a chance to fill both jobs at once.

see KEHRL, page 65

Correction

Two sentences were inadvertantly printed incorectly in the Delco strike settlement story on Page 54 of the Dec. 1 issue of Automotive News.

UAW official Len Wozny should have been quoted as saying the threat of a strike is now an even more important tool for the union than a strike itself.

Jake Smith, a UAW official at a Ford plant, added that a recent announcement that Ford is spending $171 million to boost production through automation at its Rawsonville and Ypsilanti, Mich., plants will result in a loss of about 200 jobs.

AUCTION DATES

American Motors

Dec. 9 — High Point Auto Auction, High Point, N.C.

Dec. 10 — Kansas City Auto Auction, Kansas City, Mo.

Dec. 11 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Dec. 12 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler Corp.

Dec. 10 — Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; and Minneapolis Auto Auction, Plymouth, Minn.

Dec. 11 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

Dec. 10 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; Lakeland Auto Auction, Lakeland, Fla.; and Salt Lake Auto Auction, Salt Lake City

Dec. 11 — Aptco Auto Auction, Taylor, Mich.; Southwest Auto Auction, Phoenix, Ariz.; and 166 Auto Auction, Springfield, Mo.

General Motors

Dec. 9 — Denver Auto Auction, Englewood, Colo.; Florida Auto Auction of Orlando, Orlando, Fla.; South Seattle Auto Auction, Kent, Wash.; 166 Auto Auction, Springfield, Mo.; and Dallas Auto Auction, Dallas

Dec. 10 — Brasher's Southern California Auto Auction, Fontana, Calif., and Northstar Auto Auction, Skakopee, Minn.

Dec. 11 — Nashville Auto Auction, Nashville, Tenn.

Used Car Sales
Auction Averages

December to date	$5,138
Month ago	$5,194
Year ago	$4,568

Model Breakdown
Auction Averages

	DEC 1986	NOV 1986	OCT 1986
1986	$11,262	$11,299	$11,574
1985	$8,230	$8,286	$8,414
1984	$6,156	$6,186	$6,215
1983	$5,401	$5,420	$5,442
1982	$4,161	$4,190	$4,216
1981	$3,201	$3,244	$3,277
1980	$2,367	$2,387	$2,424
1979	$2,054	$2,069	$2,086
Overall Average	$5,138	$5,181	$5,196

Denver Auto Auction builds new quarters

AURORA, Colo. — Ground has been broken here for the new quarters of the Denver Auto Auction. The facility, scheduled to open in July 1987, is being built on a 50-acre site.

Denver Auto Auction has been at its present location for 35 years. Expansion plans were announced when the auction was purchased by General Electric Credit Corp. a year ago.

General Electric Credit has auto auction facilities in four cities: San Francisco; Seattle; Harrisonburg, Va.; and Denver. The company said it plans to expand to 20 auction locations within the next three years.

Fiat sales in Europe climb 20%

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Fiat Auto's passenger-car sales in Europe climbed nearly 20 percent during October, by far the largest year-to-year increase among European companies.

Through the first 10 months of this year, only Japanese automakers have recorded European sales gains bigger than Fiat's 11.3 percent improvement over 1985, according to industry estimates compiled by Automotive News.

If Alfa Romeo, Fiat's new acquisition, were included, Fiat Auto's 10-month sales were within half a percentage point of Volkswagen Group, the market leader.

New-car sales in Europe totaled 9,996,000 for the first 10 months, up 8.5 percent over the same period last year. The market is expected to finish at 11.4-11.5 million units, surpassing the record 10.6 million cars sold in 1985.

VW Group clung to its sales lead in October, followed by Fiat Auto and Ford. Peugeot S.A. moved into fourth place ahead of General Motors.

Renault was sixth, and Mercedes-Benz edged ahead of Austin Rover for seventh place.

While the industry was up 7.5 percent in October compared with the year-ago month, Fiat Auto's sales increased 19.6 percent. The Italian company's European sales totalled 130,900, up from 109,500 in October 1985.

Fiat's 10-month market share was at 12.6 percent. With Alfa Romeo included, Fiat's share was 14.1 percent, compared to 14.5 percent for Volkswagen, Audi and Seat under the VW Group umbrella.

Fiat improved its position in two key markets during October — climbing 36.4 percent in France and 26.4 percent in West Germany. It did well in the Italian home market, where sales were 16 percent ahead of October 1985, and it gained strength in several smaller markets, including Spain, the Netherlands, Belgium-Luxembourg, Portugal and Ireland.

While Fiat surged in October, Japanese makers also continued to gain strength, increasing combined sales 16.7 percent during the month. Together, the Japanese held 12 percent of Europe's 10-month new-car market, up from 10.8 percent at the same time last year.

Nissan led the way in October, improving sales by 27.3 percent to 33,000. For the year, Nissan was up 14.4 percent with volume of 307,300. Toyota sales rose 16.8 percent in October to 28,700, and Toyota up 25.1 percent for the year with 297,000.

Volkswagen-Audi-Seat sales increased 3.4 percent in October. For the year, the group was 9.7 percent ahead of its 1985 pace with total volume of 1,440,000.

Third-place Ford increased sales 6.3 percent in October. Through the first 10 months, it sold 1,170,100 cars, a gain of 6.8 percent.

PSA edged past GM into fourth place during the month. The French group sold 1,116,700 cars in the first 10 months, compared to GM's 1,110,800. PSA was up 7.8 percent for the year, and GM was up 5.4 percent.

Renault remains in sixth and last place among volume producers, with sales of 1,012,300, up 4.2 percent over 1985.

Mercedes-Benz grabbed seventh place from Austin Rover in October. While the British firm's sales were plunging 13.9 percent during the month, Mercedes' were up 9.4 percent.

For the year, Mercedes' sales stood at 373,700, up 8.8 percent. Austin Rover, at 363,000, was down 3 percent for the year.

EUROPEAN SALES

Manufacturer	10 mos., 1986	1986 share*	10 mos. 1985	Volume Change 1986 vs. 1985
VW-Audi-Seat	1,440,000	14.5	1,312,100	+ 9.7
Fiat Auto	1,256,300	12.6	1,128,300	+11.3
Japanese (all)	1,198,700	12.0	992,500	+20.8
Nissan	307,300	3.1	268,600	+14.4
Toyota	297,000	3.0	237,400	+25.1
Mazda	210,600	2.1	176,300	+19.4
Mitsubishi	122,200	1.2	102,700	+19.0
Ford	1,170,100	11.7	1,095,300	+ 6.8
PSA**	1,116,700	11.2	1,035,900	+ 7.8
General Motors***	1,110,700	11.2	1,054,200	+ 5.4
Renault	1,012,300	10.2	972,000	+ 4.2
Mercedes	373,700	3.8	343,300	+ 8.8
Austin Rover	363,000	3.6	374,300	- 3.0
BMW	257,600	2.6	252,900	+ 1.8
Volvo	226,500	2.3	215,800	+ 5.0
Alfa Romeo	150,400	1.5	140,100	+ 7.4
Others	284,000	2.9	260,100	+ 9.2
Total	9,960,000	100.0	9,176,800	+ 8.5

*—Total does not add to 100 percent because of rounding
**—Peugeot, Citroen, Talbot
***—Opel, Vauxhall, Isuzu, GM-U.S./Canada

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SALES

DOMESTIC CAR SALES

	Nov. 21. to Nov. 30, 1986	Same Period, 1985	Nov. 1986	Same Month, 1985	Jan. 1 to Nov. 30, 1986	Same Period, 1985
Alliance	0	0	3,225	5,379	45,251	66,931
Encore	0	0	0	1,402	16,241	37,230
Total Renault	0	0	3,225	6,781	61,492	104,161
Eagle	0	0	635	966	7,013	11,701
Total AMC	0	0	635	966	7,013	11,701
AMERICAN MOTORS	1,620	3,147	3,860	7,747	68,505	115,862
Horizon	2,512	1,622	8,087	4,606	102,199	79,509
Sundance	1,465	0	4,743	0	14,250	0
Turismo	389	968	1,242	2,621	43,261	49,847
Reliant	3,340	3,022	7,688	8,047	117,316	127,879
Caravelle	834	1,037	2,455	2,808	35,873	33,516
Plymouth	338	216	1,016	651	16,074	16,987
Total Plymouth	8,878	6,865	25,231	18,733	328,973	307,838
Laser	219	747	653	2,041	26,935	48,418
LeBaron K	1,139	2,069	3,773	5,427	88,887	81,881
LeBaron GTS	867	2,576	2,706	6,708	63,113	65,645
Fifth Avenue	1,711	1,502	5,500	5,172	100,326	103,166
E-Class	0	0	0	0	2,688	0
New Yorker	977	1,658	3,140	4,675	50,623	52,693
Total Chrysler	4,913	8,552	15,780	24,023	332,580	352,003
Omni	2,045	1,356	7,011	3,864	89,773	66,787
Shadow	1,670	0	5,567	0	14,276	0
Charger	462	1,067	1,473	2,808	48,256	53,907
Daytona	173	860	568	2,357	34,826	46,336
Aries	3,154	2,366	9,204	6,815	95,933	107,485
Lancer	520	1,606	1,909	4,194	45,594	46,398
Diplomat	487	468	1,881	1,815	32,794	33,454
Dodge 600	781	1,139	3,197	3,850	58,600	51,706
Total Dodge	9,289	8,862	30,819	25,703	420,052	406,075
CHRYSLER MOTORS	23,080	24,279	71,830	68,459	1,081,605	1,065,916
EXP	0	32	0	76	0	17,531
Escort	9,783	10,882	26,404	31,688	366,026	383,038
Mustang	2,649	4,472	7,325	11,513	156,004	147,219
Tempo	5,773	6,425	17,239	16,809	240,475	263,334
Taurus	9,517	0	29,782	0	220,520	0
Thunderbird	2,436	3,376	7,357	8,050	129,992	146,813
LTD	0	2,511	0	7,161	23,587	177,489
Crown Victoria	3,481	2,875	10,604	8,398	120,675	153,398
Total Ford Division	33,639	30,573	98,711	83,695	1,257,279	1,288,822
Lynx	1,288	2,111	3,467	5,575	60,345	78,803
Topaz	1,556	1,105	5,377	3,870	61,416	68,970
Sable	2,887	0	9,303	0	87,318	0
Cougar XR-7	653	2,118	1,765	5,940	106,962	105,249
Capri	65	249	234	827	11,512	14,493
Marquis	0	959	0	3,179	10,180	84,781
Grand Marquis	3,259	2,411	10,125	7,027	108,879	126,993
Total Mercury	9,706	8,953	30,271	26,418	446,612	485,109
Continental	593	540	1,932	1,741	18,174	25,672
Lincoln	3,904	3,345	12,067	9,108	115,908	107,141
Mark VII	758	446	2,444	1,379	20,650	18,299
Total Lincoln	5,255	4,331	16,443	12,228	154,732	151,112
Total L-M Division	14,963	13,284	46,714	38,646	601,344	636,221
FORD MOTOR COMPANY	48,602	43,857	145,425	122,341	1,858,623	1,925,043
Skyhawk	876	1,732	3,134	4,899	68,260	78,995
Skylark	0	525	0	752	2,522	54,362
Somerset Regal	1,356	1,960	4,041	6,326	105,454	88,275
Century	3,748	4,969	11,509	14,657	223,826	217,818
Regal	1,016	1,712	2,849	5,718	74,015	106,976
LeSabre	3,360	1,502	10,702	4,149	117,658	110,980
Electra	2,402	2,712	6,686	7,787	101,030	89,788
Riviera	721	703	1,654	2,518	21,511	47,047
Total Buick	13,479	15,815	40,575	46,806	714,276	794,241
Cimarron	361	511	1,095	1,293	21,904	21,398
Seville	906	607	2,151	1,911	19,214	27,422
Cadillac	5,067	5,174	15,675	12,930	215,265	169,525
Eldorado	488	940	1,417	3,281	22,483	55,949
Total Cadillac	6,822	7,232	20,338	19,415	278,866	274,294
Chevette	2,538	2,932	7,381	7,754	65,904	122,604
Nova	1,376	2,018	5,046	5,873	164,367	27,801
Cavalier	4,513	9,413	16,988	25,863	333,876	391,847
Citation	0	130	0	399	1,033	43,284
Camaro	1,864	3,717	6,941	11,741	155,069	189,650
Celebrity	6,623	8,878	27,803	26,994	372,694	338,623
Corsica/Beretta	246	0	3,091	0	5,628	0
Monte Carlo	1,699	2,802	5,477	8,563	104,595	105,399
Chevrolet	4,011	5,779	14,448	16,842	208,481	227,807
Corvette	638	1,000	1,983	2,970	30,689	34,795
Total Chevrolet	23,608	36,669	89,135	106,999	1,442,336	1,481,810
Firenza	500	1,037	1,495	3,116	32,613	45,886
Calais	2,103	2,844	6,659	8,097	108,753	116,883
Cutlass Ciera	4,977	7,367	18,292	21,829	306,751	313,185
Cutlass Supreme	2,565	4,002	8,709	12,020	182,465	205,663
Olds 88	3,967	3,291	13,437	9,495	245,552	178,711
Olds 98	1,949	4,556	6,510	9,985	101,403	112,798
Toronado	302	424	1,451	1,627	15,733	31,019
Total Oldsmobile	16,383	23,521	56,553	66,169	993,270	1,004,145
Fiero	877	1,411	2,897	4,377	64,306	86,281
1000	276	479	836	1,393	17,258	21,010
Sunbird	1,548	2,441	4,702	6,647	97,885	108,205
Phoenix	0	0	0	0	0	896
Firebird	1,377	2,431	4,638	6,457	87,767	94,864
Grand Am	4,711	5,382	15,787	13,305	185,318	109,537
6000	2,986	4,623	11,452	12,126	184,783	153,562
Bonn./Gr. Prix	532	988	1,882	2,677	39,400	49,566
Grand Prix	0	1,131	0	2,669	35,650	54,167
Parisienne/Bonn.	1,882	1,923	6,718	4,844	65,780	64,167
Total Pontiac	14,189	20,809	48,912	54,495	778,147	742,236
GENERAL MOTORS	74,481	104,046	255,516	293,884	4,206,895	4,296,796
VOLKSWAGEN	2,450	2,695	4,908	6,120	66,354	71,701
HONDA	15,674	4,055	30,308	11,240	210,316	137,180
NISSAN	2,428	2,427	6,954	6,011	44,185	34,041
DOMESTIC TOTAL	188,335	184,506	518,799	515,802	7,538,483	7,646,539
IMPORT TOTAL			263,822	247,502	2,921,621	2,582,821
INDUSTRY TOTAL			782,621	763,304	10,460,104	10,229,360

Deliveries up 2.5% for November

Imports set record; domestics barely exceed 1985 total

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Combined domestic and import new-car sales in the United States in November totaled 782,621, a 2.5 percent increase over the 763,304 units sold in November 1985.

That marginal increase came despite one less selling day in November this year. Last month, the industry sold an average of 32,609 new cars on each of the 24 selling days, a 6.8 percent increase over the November 1985 daily selling rate of 30,532.

The increase also came despite a lack of industrywide incentives. Only a smattering of models were covered by incentives, and those programs started at the beginning of the final selling period of the month.

There was a definite, measurable shift in segmentation from October.

The subcompact and standard-size segments increased last month at the expense of compact, intermediate and luxury models.

The industry's gain was largely the result of a record November total of 263,822 new-car deliveries by the imports. The total was 6.6 percent above the old record of 247,502 sold in November 1985.

Where the market was November, 1986

	Total Sales	Pct. of Total
SUBCOMPACT	120,777	15.43%
COMPACT	90,448	11.56%
INTERMEDIATE	179,165	22.89%
STANDARD	68,939	8.81%
LUXURY	59,470	7.60%
IMPORT	263,822	33.71%
TOTAL	782,621	100.00%

Domestic new-car sales for November totalled 518,799, up just 0.6 percent from the 515,802 units delivered the same month last year.

The month ended on a low point for the domestic makes. Their sales total in the final 10 days of November fell 8.8 percent to 168,335 from 184,506 in the Nov. 21-30 period last year.

The year-to-year decline was led by General Motors. GM sales in the final 10 days were off 28.4 percent, which put its monthly total down 13.1 percent. GM's 11-month new-car sales total fell 2.1 percent below the comparable 1985 year-to-date tally.

Every GM car division reported a year-to-year sales decline in the final selling period of the month, although Cadillac was up marginally for the entire month.

Particularly hard hit were the Cadillac Eldorado-Buick Riviera-Oldsmobile Toronado and Olds 98-Buick Electra models. Lagging sales of those models prompted the announcement last week of layoffs at the plants which produce those cars.

Among the other domestic makes, only American Motors, off 50.2 percent, and Volkswagen down 19.8 percent, reported year-to-year sales declines in November.

Honda reported that sales of its U.S.-built models rose 169.6 percent in November.

Ford Motor Co. sales were up 18.9 percent, although sales of Ford Escort and Mercury Lynx, the subjects of an annual percentage rate finance incentive that began Nov. 20, remained below year-ago levels in both the final period of the month and for all of November.

Chrysler Motors sales were up 4.9 percent for the month and retail deliveries of Nissan's domestically produced models rose 15.7 percent.

Although the imported makes posted a record sales total for the month, the new benchmark was largely the result of new entries.

The November 1986 sales total was bolstered by the addition of Acura and Hyundai models that were not sold in the United States last November.

Also, Yugo was still in the start-up stage of its U.S. sales operation at this time last year.

Still, the imports' record showing boosted their market penetration to 33.7 percent for the month, compared to 32.4 percent last November.

For the first 11 months of 1986, the import penetration was 27.9 percent, compared with 25.2 percent in the 1985 11-month period.

The imports also had a mixed bag of monthly winners and losers. Makes with year-to-year sales declines included Audi, Chevrolet Spectrum, Chevrolet Sprint, Dodge Colt, Maserati Biturbo, Mazda, Merkur, Nissan, Plymouth Colt, Porsche, Renault, Subaru and Volkswagen.

Sales of imported Honda models also declined during the month, but the company said that with the inclusion of Acura sales and the retail deliveries of U.S.-built models, American Honda had a record month.

U.S. CAR SALES BY MARKETING UNITS

	Nov., 1986	Nov., 1985	11 Mos., 1986	11 Mos., 1985
Chevrolet	97,871	118,586	1,591,281	1,557,247
Ford	98,711	83,695	1,257,279	1,288,822
Oldsmobile	56,553	66,169	993,270	1,004,156
Toyota	62,662	49,187	565,549	536,302
Pontiac	48,912	54,495	778,147	742,295
Buick	40,575	46,806	714,276	794,241
American Honda	74,907	48,805	618,998	502,727
Nissan	39,140	49,701	498,992	530,143
Dodge	35,276	32,078	482,887	453,716
Mercury	30,861	27,233	460,169	493,195
Plymouth	29,473	24,566	387,513	351,904
Chrysler	16,435	24,023	334,149	352,003
VWoA	17,209	22,728	255,835	269,652
Hyundai	15,925	—	146,470	—
Cadillac	20,338	19,415	278,866	274,294
Mazda	18,134	22,802	194,417	185,625
Subaru	12,120	15,526	167,774	161,929
Lincoln	16,443	12,228	154,732	151,112
Volvo	7,873	7,800	111,127	99,946
BMW	7,035	6,380	86,287	80,181
Mercedes	8,390	7,311	85,622	76,784
AMC-Renault	3,958	8,233	72,269	122,672
Saab	3,742	3,388	43,737	34,831
Mitsubishi	4,304	4,018	43,998	46,133
Yugo	4,023	920	31,659	3,895
Porsche	2,168	2,542	26,924	22,822
Jaguar	1,829	1,530	21,707	17,414
Isuzu	5,260	1,913	34,248	25,035
Peugeot	1,562	827	13,176	14,666
Alfa Romeo	872	319	7,627	4,320
Maserati	60	80	1,119	1,298
TOTAL	782,621	763,304	10,460,104	10,229,360

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Nov., 1986	Nov., 1985	11 Mos., 1986	11 Mos., 1985
Acura	7,152	—	43,589	—
Alfa Romeo	872	319	7,627	4,320
Audi	3,596	6,099	56,009	67,718
BMW	7,035	6,380	86,287	80,181
Chevrolet Spectrum	5,748	5,981	91,446	49,419
Chevrolet Sprint	2,985	5,606	57,499	26,018
Chrysler Conquest	655	—	1,569	—
Dodge Colt	2,850	4,835	44,206	34,543
Dodge Conquest/Vista	1,607	1,540	18,629	13,098
Honda	37,447	37,565	365,093	365,547
Hyundai	15,925	—	146,470	—
Isuzu	5,260	1,913	34,248	25,035
Jaguar	1,829	1,530	21,707	17,414
Maserati Biturbo	60	80	1,119	1,298
Mazda	18,134	22,802	194,417	185,625
Mercedes-Benz	8,390	7,311	85,622	76,784
Merkur	590	815	13,557	8,086
Mitsubishi	4,304	4,018	43,998	46,133
Nissan	32,186	43,690	454,807	496,102
Peugeot	1,562	827	13,176	14,666
Plymouth Colt	2,733	4,331	41,213	31,374
Plymouth Conquest/Vista	1,509	1,502	17,327	12,692
Porsche	2,168	2,542	26,924	22,822
Renault	96	486	3,764	6,810
Saab	3,742	3,388	43,737	34,831
Subaru	12,120	15,526	167,774	161,929
Toyota	62,662	49,187	565,549	566,302
Volkswagen	8,707	10,509	131,472	130,233
Volvo	7,873	7,800	111,127	99,946
Yugo	4,023	920	31,659	3,895
TOTAL	263,822	247,502	2,921,621	2,582,821

Gifts for the car that has everything

LOS ANGELES — Car accessories from somewhere beyond the ordinary are featured in the Beverly Hills Motoring Accessories Holiday Gift Book.

For the car that you thought had everything, how about a silk cover with embroidered monogram or logo for $800? There is also a set of mink floor mats for $7,000 and a solid gold license plate frame for $20,000. And the ultimate: driving lessons from 1985 Indy 500 winner Danny Sullivan for $30,000.

PRODUCTION

U.S. CAR	Week Ended Dec. 6, 1986	Week Ended Dec. 7, 1985	Week Ended Nov. 29, 1986	Nov. Total	Jan. 1 to Dec. 7, 1985	Jan. 1 to Dec. 6, 1986
AMERICAN MOTORS	0	0	0	3,002	103,450	46,844
Renault Total	0	0	0	3,002	103,450	46,844
Alliance	0	0	0	3,002	68,107	43,497
Encore	0	0	0	0	35,343	3,347
CHRYSLER MOTORS	23,800	33,675	13,516	94,661	1,186,911	1,223,815
Plymouth Total	9,600	9,316	5,563	35,953	345,208	395,227
Horizon	3,700	3,798	1,892	12,747	133,215	161,386
Sundance	1,900	0	1,169	7,668	0	30,547
Reliant	3,400	3,844	1,985	11,021	151,963	143,955
Caravelle	600	1,307	517	3,533	45,663	41,753
Gran Fury	0	367	0	986	14,367	17,586
Chrysler Total	3,700	11,882	2,369	19,800	384,191	352,543
Laser	0	1,141	0	0	48,821	26,978
LeBaron	1,700	3,111	959	4,971	88,455	80,309
LeBaron GTS	800	2,615	541	3,783	92,917	59,627
New Yorker/E-Class	1,200	1,642	869	5,486	60,500	68,230
Fifth Avenue	0	3,373	0	5,560	96,498	117,399
Dodge Total	10,500	12,477	5,584	38,908	453,512	476,045
Daytona	600	1,221	227	543	44,474	31,420
Omni	3,500	3,388	1,799	12,298	128,017	153,642
Shadow	1,800	0	1,102	7,981	0	29,564
Aries	3,000	3,510	1,455	10,530	126,570	118,999
Dodge 600	1,000	1,744	582	3,694	62,203	60,953
Lancer	600	1,866	419	2,847	63,854	45,384
Diplomat	0	748	0	1,015	29,394	36,083
FORD MOTOR	40,600	35,987	22,094	139,002	1,540,308	1,641,671
Ford Division	28,330	23,468	15,403	100,365	1,033,137	1,136,739
Escort	7,134	8,812	3,328	29,728	323,088	354,153
EXP	0	0	0	0	3,838	0
Mustang	4,452	4,502	2,261	12,830	174,004	167,230
Tempo	4,879	4,886	2,325	14,967	177,056	184,376
LTD	0	0	0	0	180,724	0
Taurus	9,528	2,125	5,450	30,846	8,401	305,827
Thunderbird	2,337	3,143	2,039	11,994	158,904	125,153
Crown Victoria	0	0	0	0	7,122	0
L-M Division	12,270	12,519	6,691	38,637	507,171	504,932
Mercury Total	7,549	8,869	4,257	22,778	354,350	334,086
Lynx	1,244	2,066	576	4,643	69,154	56,747
Capri	0	825	0	0	18,554	12,344
Topaz	1,378	1,335	663	4,306	51,439	54,610
Cougar	2,075	3,943	1,183	3,920	123,517	92,998
Marquis	0	0	0	0	83,481	0
Sable	2,852	700	1,835	9,909	3,472	117,387
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,721	3,650	2,434	15,859	152,821	170,846
Continental	474	509	241	1,574	23,842	18,408
Lincoln	3,541	2,737	1,826	11,896	112,097	128,139
Mark VII	706	404	367	2,389	16,882	24,299
GENERAL MOTORS	81,058	110,197	32,008	291,657	4,554,563	3,861,084
Buick Total	14,695	21,552	5,935	59,886	947,115	722,187
Skyhawk	0	3,760	0	5,514	104,531	76,713
Century	5,645	7,370	3,446	20,882	279,360	215,863
Regal	1,635	3,092	0	3,688	127,820	55,691
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	2,372	1,541	1,537	9,223	112,204	104,551
LeSabre (fwd)	2,348	1,206	952	11,645	8,035	145,694
LeSabre/Electra (rwd)	360	230	0	926	95,586	14,147
Electra(fwd)	1,801	4,010	0	6,095	131,373	85,578
Riviera	534	343	0	1,915	47,253	23,950
Cadillac Total	7,105	6,819	2,427	22,180	308,120	296,838
Cimarron	300	648	51	2,009	25,101	22,075
Cadillac (rwd)	1,560	1,126	0	3,183	38,032	71,548
DeVille (fwd)	4,315	4,450	2,376	13,442	164,490	159,491
Eldorado	357	366	0	2,117	52,474	22,982
Seville	573	229	0	1,429	28,023	20,742
Chevrolet Total	27,183	36,580	10,175	97,861	1,531,136	1,225,348
Chevette	2,745	3,237	1,719	9,733	146,652	99,155
Camaro	0	4,879	2,640	11,837	200,810	162,401
Cavalier	3,180	11,125	1,150	28,183	462,493	366,967
Celebrity	9,928	5,822	3,514	21,193	249,742	247,019
Citation	0	0	0	0	28,699	0
Corsica/Beretta	2,735	0	308	4,050	0	10,901
Monte Carlo	2,665	2,825	844	14,594	130,241	104,719
Chevrolet	5,290	7,698	0	6,658	266,904	207,755
Corvette	640	994	0	1,613	43,464	26,411
Oldsmobile Total	16,684	26,309	5,747	51,955	1,101,284	876,039
Firenza	0	1,507	0	2,465	58,639	35,800
Calais	2,480	3,587	1,429	8,774	140,535	111,516
Cutlass Ciera	4,565	9,025	2,817	16,262	333,272	223,607
Cutlass Supreme	1,890	4,506	626	5,247	221,469	104,138
88 (fwd)	4,607	3,138	0	8,464	16,247	259,187
88 (rwd)	360	773	0	1,102	167,137	17,743
Olds 98	2,401	3,524	875	8,283	135,376	106,857
Toronado	381	249	0	1,358	28,609	17,191
Pontiac Total	15,391	18,937	7,724	59,773	666,908	740,672
Acadian**	0	377	233	955	16,042	15,105
Fiero	1,760	2,407	937	4,500	107,514	64,344
1000	575	1,048	307	1,377	33,555	19,693
Firebird	855	2,580	1,314	7,776	107,063	99,868
2000 Sunbird	811	2,989	494	7,827	134,241	123,252
Grand Am	4,800	4,747	2,820	17,229	131,539	214,591
6000	2,820	2,142	1,619	9,622	53,531	125,502
Bonneville	3,400	0	0	9,415	0	29,284
Safari/Parisienne	370	2,647	0	1,072	83,423	49,033
HONDA	5,390	3,238	3,969	25,626	135,732	217,005
Civic	930	0	1,015	6,173	0	16,117
Accord	4,460	3,238	2,954	19,453	135,732	200,888
NISSAN	2,920	2,257	1,744	11,090	38,791	56,087
NUMMI	4,200	1,900	2,389	17,215	54,339	183,869
Corolla	1,100	0	646	4,166	0	7,782
Nova	3,100	1,900	1,743	13,049	54,339	176,087
VOLKSWAGEN	0	1,814	1,016	7,000	90,030	77,498
Golf/GTI	0	1,814	866	6,100	90,030	77,098
Jetta	0	0	150	900	0	400
Total Cars, U.S.	157,968	189,068	76,736	589,253	7,704,124	7,307,873
Total Cars, Canada	24,047	25,847	21,831	96,366	1,034,567	996,930
N. American Cars	182,015	214,915	98,567	685,619	8,738,691	8,304,803
N. American Trucks	84,583	99,987	45,919	303,126	4,061,471	4,037,947
North American Cars and Trucks	266,598	314,902	144,486	988,745	12,800,162	12,342,750

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

November output at 4-year low

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

November's domestic auto production took a beating. The total was the lowest for the month in four years.

The Thanksgiving holiday, inventory adjustment and a strike reduced the month's output to 589,253, the lowest for November since the 404,542 completed in 1982.

Last month's total was 19.67 percent below October's 733,499 and 11.80 percent below the year-ago month's 668,083.

Automakers' targeted production of 157,968 units last week, more than double the previous week's 76,736, which reflected the Delco Electronics Corp. strike and the Thanksgiving holiday.

The week's build was 16.45 percent below the year-ago week's 189,068.

So far this year, 7,307,873 cars have been assembled, 5.14 percent below last year's 7,704,124.

Last week's scheduled output was split as follows: General Motors, 51.31 percent; Ford Motor Co., 25.70 percent; Chrysler Motors, 15.07 percent; Honda of America Manufacturing Inc., 3.41 percent; New United Motor Manufacturing Inc., 2.66 percent; and Nissan Motor Manufacturing Co., 1.85 percent.

Volkswagen of America's plant in Westmoreland, Pa., was idle last week because of parts shortages. The plant is scheduled to resume production today (Dec. 8).

American Motors' Kenosha, Wis., plant was idle last week for inventory adjustment. The plant resumed output today.

The last of the GM car assembly plants shut down by the Delco Electronics strike resumed output today. They are: Van Nuys, Calif.; Leeds, Mo.; and Norwood, Ohio.

GM closed its Arlington, Texas, plant today until Feb. 2 for installation of paint equipment. The shutdown affects 1,630 workers.

Saturday (Dec. 6) overtime was slated at GM's plant in Lake Orion, Mich.

Ford scheduled Saturday overtime at its Kansas City, Mo.; Wixom, Mich.; and Dearborn, Mich., plants.

Truck production slips for month

U.S. truck production during November totaled 254,380, the lowest for that month since 1983 when 235,497 units were built.

Last month's output was 20.27 percent below October's 319,066 and 12.72 percent below the year-ago month's 291,446.

Scheduled truck production of 70,444 units last week was more than double the previous week's 32,582 but was 12.74 percent below the year-ago week's 80,731.

The prior week's build reflected the Thanksgiving holiday and the Delco Electronics Corp. strike. The strike trimmed General Motors' output.

Year-to-date, 3,300,319 trucks have been assembled, 1.43 percent more than the 3,253,785 completed last year at this time.

GM slated Saturday (Dec. 6) at the following plants: St. Louis; Pontiac, Mich.; and Flint, Mich. (No. 1).

Saturday overtime was scheduled at Ford Motor Co.'s Kansas City, Mo.; Lorain, Ohio; and Louisville, Ky., plants.

Canadian truck build tumbles

Canadian truck production of 48,746 in November was the lowest for any month since July 1984 when 42,625 units were built.

Last month's output was also the lowest for November since 1982 when 26,018 trucks were assembled.

The November build was 7.57 percent below October's 52,739 and 39.25 percent below the year-ago month's 80,245.

Last week's targeted truck output totaled 14,139, 6.01 percent more than the previous week's 13,337 but 26.57 percent below the year-ago week's 19,256.

Year-to-date, 737,628 trucks have been built, 8.67 percent below the 807,686 completed last year at this time.

Automakers assembled 96,366 cars in November, 10.53 percent below October's 107,705 and 7.47 percent below the year-ago month's 104,148.

Scheduled auto production last week totaled 24,047, 10.15 percent more than the previous week's 21,831 and 6.96 percent less than the year-ago week's 25,847.

So far this year, 996,930 cars have been assembled, 3.64 percent below the 1,034,567 completed last year at this point.

CANADIAN CAR	Week Ended Dec. 6, 1986	Week Ended Dec. 7, 1985	Week Ended Nov. 29, 1986	Nov. Total	Jan. 1 to Dec. 7, 1985	Jan. 1 to Dec. 6, 1986
AMERICAN MOTORS	145	0	148	554	10,493	4,260
FORD MOTOR	11,469	11,233	11,400	45,195	469,245	493,919
GENERAL MOTORS	12,208	14,389	10,058	49,762	545,429	489,331
VOLVO	225	225	225	855	9,400	9,420
Total Cars Canada	24,047	25,847	21,831	96,366	1,034,567	996,930

U.S. TRUCK☆	Week Ended Dec. 6, 1986	Week Ended Dec. 7, 1985	Week Ended Nov. 29, 1986	Nov. Total	Jan. 1 to Dec. 7, 1985	Jan. 1 to Dec. 6, 1986
CHEVROLET	17,373	26,046	4,753	72,983	1,102,688	1,076,933
DODGE	5,700	5,600	3,006	21,022	200,372	136,535
FORD	32,158	29,437	17,071	96,318	1,134,091	1,293,138
GMC	5,211	7,287	1,715	26,554	335,567	335,254
NAVISTAR	1,622	1,488	972	5,770	69,500	67,910
JEEP	4,300	5,915	2,610	16,757	217,623	178,303
NISSAN	1,730	2,908	1,045	6,516	102,611	102,620
AM GENERAL*	50	50	30	180	2,380	2,354
MISCELLANEOUS*	2,300	2,000	1,380	8,280	88,953	107,272
Total Trucks, U.S.	70,444	80,731	32,582	254,380	3,253,785	3,300,319

CANADIAN TRUCK	Week Ended Dec. 6, 1986	Week Ended Dec. 7, 1985	Week Ended Nov. 29, 1986	Nov. Total	Jan. 1 to Dec. 7, 1985	Jan. 1 to Dec. 6, 1986
AMERICAN MOTORS	640	0	640	2,420	0	26,820
CHRYSLER	8,964	9,312	9,102	34,986	372,852	377,585
FORD	3,040	3,624	2,488	6,918	153,765	138,599
GENERAL MOTORS	1,296	6,117	908	3,630	270,569	185,758
NAVISTAR	199	203	199	792	10,500	8,866
Total Trucks, Canada	14,139	19,256	13,337	48,746	807,686	737,628
N. American Trucks	84,583	99,987	45,919	303,126	4,061,471	4,037,947

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Import surge seen for '87 inside Japan

TOKYO — Yanase and Co., Japan's leading automobile importer, has raised its imported-car sales target 31.3 percent for its 1987 fiscal year. The goal is 42,000 units, compared with 31,991 sold in the previous business year ended in September.

In a separate but related development, Daimler-Benz, of West Germany, said it will expand its Japanese Mercedes-Benz product line in an effort to capture a greater share of the domestic market.

Yanase said it based its ambitious sales goal on the belief that the environment for the import-car market will continue to be favorable because of the yen's high value.

The company said it expects double-digit growth in the total import market to continue into the first half of the 1987 calendar year, which could push imports to an annual volume of 70,000 units. Import sales of all cars in calendar 1986 are expected to exceed 60,000 units.

As additional factors in the projected sales rise, Yanase cited the narrowing price differential between imported cars and Japanese luxury cars and the Japanese government's simplification of import certification procedures.

By make, Yanase projects 20,000 sales for Volkswagen (up 31.4 percent over the total for the previous fiscal year), 10,000 Audis (up 46.2 percent), 10,000 Mercedes-Benz models (up 18.6 percent) and 2,000 General Motors models (up 33.5 percent).

In addition, the company said it expects to sell 1,100 Isuzu Piazzas, an increase of 22.2 percent over last year, and 1,300 Nissan-built VW Santanas, up 15.4 percent.

According to Daimler-Benz, its first special models for the Japanese market will be lower-priced and luxury versions of the 190-E. They will be introduced in January. The base 190-E, with less standard equipment and fewer frills, will cost about $27,000 at an exchange rate of 160 yen to the dollar, compared with the standard 190-E at $30,000. The luxury model will be priced at $34,000.

Although virtually all Mercedes-Benz cars sold in Japan have been imported with left-hand-drive, the new models will be right-hand drive like Japanese cars.

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AMC bares product plan of early '90s

By Laura Clark and Dave Zola
AUTOMOTIVE NEWS STAFF REPORTERS

American Motors is eyeing two new vehicles for 1992 or thereabouts — an upscale compact passenger van and a small, entry-level Jeep to compete with imports from Japan.

The two new-vehicle proposals are part of a larger AMC-Renault five-year product plan to be sorted out by the companies in the next few months.

That plan also includes importing a four-wheel-drive Medallion in 1989, development of a Premier replacement in 1993-94 and a redesign of the XJ (Cherokee, Wagoneer, Comanche) line of Jeeps in 1989.

Still open to debate is whether to import a replacement for Alliance or abandon that small-car market segment.

Alliance is scheduled to be dropped after the 1988 model year.

The proposed small Jeep development program, code-named J-90, might even result in the construction of a new low-volume, technologically advanced North American assembly plant, James R. Murphy, AMC director of product planning told Automotive News.

AMC and Renault executives are trying to decide which new vehicle programs to pursue. They are also wrestling with the question of whether AMC or Renault should take the lead with large-car and van programs.

The two companies agree AMC has the resources and experience to handle all Jeep vehicle development, while Renault's expertise lies in small-car design.

But large-car and van programs fall into a gray area where neither firm rates as the obvious choice. Ideally, each company would like to do its own products to ensure the vehicles appeal to the home market. But AMC and Renault officials realize that isn't efficient, so it is imperative that they quickly make the decision on who does what.

AMC is counting on profits from the Premier — an intermediate going into production in Canada — and XJ models to fund future products, according to Murphy.

The J-90 utility vehicle could be available by the 1992 model year, according to an internal AMC product planning document obtained by Automotive News. The vehicle would be in the size class of the Suzuki Samurai and priced in the $6,000 to $7,000 range.

AMC said it is considering producing the J-90 in the United States if the program gets the go-ahead. New production techniques would allow the automaker to construct an assembly plant for a relatively small investment and build

see AMC, page 40

Bogus Bonus

Auto dealers stung on travel certificates

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Dozens of dealers from Minnesota to Georgia and from Colorado to New York have been stung for hundreds of thousands of dollars by vendors selling unredeemable travel-accommodation certificates for use in retail promotions.

More than a dozen such vendor-firms have been identified by consumer protection units in the attorneys general offices in Texas and Florida, where many of the travel certificate companies are located.

Authorities report a recent growth in the number of consumer complaints regarding unredeemable certificates, many of them tied to auto dealership promotions.

Officials from a number of states are investigating — and taking civil action against — companies that sell the certificates.

"The poor car dealer is the real sucker in these scams," said Kay O'Toole, consumer investigator in the Houston office of the Texas attorney general.

"They are taking a chance with their customer relations if they purchase these certificates," said O'Toole.

The dealer who falls prey to the bogus travel incentive promotions has much to lose.

He loses the $100 to $150 he paid for each

see TRAVEL, page 38

1st quarter output cuts seen for GM

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

General Motors, on the heels of production cuts in the last quarter of this year and first quarter of next, will have to cut early-1987 production even more or offer incentives to reduce its high car stocks.

Analysts say GM's announced January-March 1987 production cutback of 3.31 percent or about 40,000 units will not be enough to bring its production into line with the 100-plus days supply GM is expected to have in January. GM sales have been off about 25 percent for most of the 1987 model year, although overall sales have been near last year's pace.

FIRST QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	1,122,851	1,161,300	– 3.31
Ford ...	505,000	446,505	+13.10
Chrysler	303,000	373,481	–18.87
AMC ...	9,500	12,553	–24.32
Honda .	87,789	45,114	+94.59
NUMMI	50,000	46,428	+ 7.69
Nissan .	37,632	21,517	+74.89
VW	27,200	21,169	+28.48
Industry	2,142,972	2,128,067	+ 0.70

"First quarter production will be significantly lower than what the makers are saying and most of the reduction will come from GM schedules," said John Hammond, auto analyst

see FORECAST, page 42

AUTOMOTIVE NEWS/JOE WILSSENS

Gentlemanly repect
In a joint appearance before the Economic Club of Detroit, GM Chairman Roger Smith, right, and ousted board member H. Ross Perot made no mention of their trouble. **Stories on Page 3.**

Japan's market to rise, but how far?

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Reflecting an uncertain economy and fluctuating yen, automotive analysts in Tokyo offer mixed outlooks for Japan's domestic vehicle market in the 1987 fiscal year and the remainder of the 1986 business year.

Depending on the analyst, bank or auto company making the forecast, sales projections for the next fiscal year (April 1987-March 1988) range from an increase of 0.1 percent to 2.8 percent. Forecasts for the 1986 business period (April 1986-March 1987) range from a gain of 1.3 percent to 3.0 percent.

The most bullish domestic sales forecast comes from Y. Kondo, senior analyst in the research department of Daiwa Securities Co., Tokyo. According to Kondo, sales of cars, trucks and buses in Japan for the 1986 business year will total 5.74 million units, an increase

see JAPAN, page 22

Porsche looks for new brand to sell in U.S.

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

RENO, Nev. — Porsche Cars North America is looking for foreign automakers who would like to sell their own-branded cars through Porsche's dealers.

Porsche is offering a network of 322 dealers help in obtaining federal certification, marketing services, plus engine and suspension technology, engineering and "refinement" services from West German parent company Porsche AG.

In return, Porsche would boost the potential profitability of its dealers by increasing their volume and flesh out its sports-car lineup with compatible vehicles without the risk or expense of developing them. It could also help Porsche establish dealers in small markets where an independent Porsche store could not survive.

"We want to be a full-service transportation company," John A. Cook, president of Porsche Cars North America, said in an interview with Automotive News.

"We are looking for one or more companies that can provide 20,000 to 70,000 vehicles a year that are compatible with Porsche's image and that complement our lineup,"

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GM to replace tires on some models — Page 3
Domestic stocks rise, imports cut supply — Page 6

EDS-GM: More lawsuits, explanations

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

To no one's surprise, the aftershocks of General Motors' $700 million buyout of ousted board member H. Ross Perot were still being felt last week.

Holders of GM's Class E shares filed two more lawsuits challenging the deal. The complaints echoed an earlier suit that contended GM was throwing away its money and undermining the value of Electronic Data Systems stock by paying twice the market value for Perot's 12 million shares.

Meanwhile, GM and EDS officials made gestures of unity in apparent attempts to put the controversy behind them.

In a joint appearance before the Economic Club of Detroit (Dec. 8), Perot and GM Chairman Roger Smith treated each other with gentlemanly respect. That no doubt surprised those among the record crowd of 7,124 who expected recent public sparring between the two to continue on the rostrum. Later in the week, EDS issued a statement reaffirming its role as an independent company committed to supporting GM.

While Perot's speech made no specific reference to GM, the former EDS chairman didn't shy from talking about his differences with GM at a news conference. He said he made his criticism public because, as the company's largest shareholder, he felt obligated to speak out for change.

There's something wrong when GM, with all its size and its resources, has become the domestic industry's high-cost producer and will make less money than Ford Motor Co. this year, Perot said.

"We're spending $3.6 billion a year on R&D," he said. "We ought to have a car that can ice skate."

Perot revealed that his plans to vote against executive bonuses caused a commotion on the GM board. Citing his "feed the troops first" belief, he said that special treatment for officers is uncalled for at a time when GM was closing plants and laying off workers.

Another "stress point," Perot said, was EDS's inability to get contracts signed for the services it provides GM, its largest customer.

EDS shareholders were promised the contracts when the two companies merged in 1984, Perot said. Because GM Class E stock dividends are based on EDS earnings, the lack of contracts hurt profits and also posed a "securities law problem," he said.

In the meantime, GM was pressing Perot to have its own auditors review EDS, said Perot. He said he agreed to the audit in exchange for a meeting before the board's fairness committee at the December board session to discuss the contracts.

But Perot wasn't allowed to come to that Dec. 1 meeting, he said. That's where the board voted on the buyout — an idea that Perot said he had proposed in June, but stressed at the time he thought would be unwise.

For his part, Smith told reporters that he still considered Perot a friend and that the troubles stemmed from their different approaches on how to get things done. History will someday say that the EDS purchase is working, he said. It will also prove the buyout to be "one of the best investments GM ever made."

Some shareholders apparently disagree. Two more lawsuits have been filed protesting the deal — one in New York Supreme Court and the other in Delaware chancery court.

In the New York suit, one of EDS's cofounders, Milledge A. Hart III, charged that the buyout was a waste of corporate assets and represented a breach of GM directors' fiduciary duty. In Delaware, five shareholders from New York and an Illinois company, Drexel Home Inc., sought, among other things, to rescind the buyout.

Those suits, and an earlier complaint filed in federal court in Detroit, are derivative suits, meaning they've been filed against the directors on behalf of the corporation. A GM spokesman said the company is still reviewing the suits and couldn't comment.

In the EDS statement, president and new chief executive Lester Alberthal Jr. said EDS intends to continue supporting GM while increasing business outside the automaker by 20 percent annually.

Those objectives were worked out with GM Executive Vice President Donald J. Atwood after the Dec. 1 buyout of Perot and three other EDS executives.

Bill would halt use of shareholders as 'pawns'

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Angered by General Motors' decision to pay $700 million in "hushmail" to Ross Perot, Senator Howard M. Metzenbaum, D-Ohio, will introduce a bill in the new Congress to "require that any deal offered to one shareholder will be offered to all."

Metzenbaum said the bill would prohibit what he calls "greenmail," which treats shareholders "as pawns in the battle for boardroom control."

Greenmail is "when corporate management buys off unwelcome investors or raiders at a substantial premium not available to the average investor," Metzenbaum said.

Although GM's payments to Perot are not technically "greenmail" — because Perot apparently was not interested in a takeover of GM — Metzenbaum said the decision by the GM board to buy out Perot's holdings amounted to the same thing because "Ross Perot is about to be paid $700 million in what he himself calls 'hushmail.' "

"I don't fault Perot for selling out for double the market value of his stock, but I seriously question the propriety of GM management using shareholders' money to get rid of him," the senator said.

"In fact, the rest of the shareholders often see the value of their investment eroded as the stock prices fall once the greenmail is paid," according to Metzenbaum.

The senator said, "Shareholders need to know they have a fair shot at success on Wall Street. If they see that they are pawns in the battle for boardroom control, they will abandon the market to the professionals and the institution of publicly owned corporations will crumble."

GM, Volvo sign pact for heavy truck company

DETROIT — General Motors Chairman Roger Smith and AB Volvo Chairman Pehr G. Gyllenhammar signed a agreement forming a joint venture effective Jan. 1, 1987, to develop, produce and market heavy-duty (Class 8) trucks for distribution in North America.

Volvo GM Heavy Truck Corp. will be headquartered in Greensboro, N.C., and Volvo GM Canada Heavy Truck Corp. in Toronto.

Volvo currently has 76 percent ownership, with GM still retaining the option to raise its stake from a current 24 percent to 35 percent.

The joint venture firms will now focus on electing boards ofdirectors and working out specifics, such as what products they will offer in the future.

GMC will continue to build and market its heavy trucks during 1987, with August 1988 as the current phaseout target for manufacturing which will be moved to Volvo's three U.S. plants.

Gyllenhammar, left, and Smith sign to form Volvo GM Heavy Truck Corp.

Olds follows lead, realigns field, opens up dealer communication

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

LANSING, Mich. — Oldsmobile Division will restructure its field sales and service operations beginning early next year, cutting the number of zones from 27 to 19 by fall and opening a computer dealer assistance center.

Oldsmobile's moves are similar to those that have taken place at the other General Motors divisions in recent months. The revampings are designed to put the divisions closer to the dealers and marketplace as well as to reduce the employee headcount. GM plans to cut its salaried workforce 25 percent by 1989.

Oldsmobile said its restructuring will enable the division to strengthen support to its 3,300 dealers and to increase regional marketing efforts.

Oldsmobile General Sales and Service Manager David E. Lahti said greater efficiency and sales effectiveness will be gained by having larger, more completely staffed zone offices.

Oldsmobile already has closed two zone offices. The Buffalo and Omaha zones are now being consolidated into other zones.

The Oklahoma City, Cleveland, Indianapolis, Houston, Milwaukee and Portland, Ore., zone offices will halt operations by the end of August.

Operations of the Atlanta and Los Angeles regions will be merged with those in Tarrytown, N.Y., Detroit, Chicago and Dallas.

Dealers in the Portland zone will be served by the San Francisco office. Dealers in the Oklahoma City zone will be transferred to the Dallas zone.

Activities in the Cleveland zone will be split among the Pittsburgh or Detroit zones. Milwaukee dealers will be served by either the Chicago, Minneapolis or Kansas City zones. Houston dealer activities will be transferred to the Dallas zone. Operations from the Indianapolis zone will be assigned to either the Cincinnati, St. Louis or Detroit zone offices.

Lahti said the boundaries of the new zones are based on the market size and dealer needs.

Field support staff will be boosted by district managers for sales and district managers for service working as teams, Lahti said.

Larger dealers will receive attention from the division more in line with the volumes they sell. Smaller dealers, who received little or no contact from the division in the past, also will receive more attention under the new system, Oldsmobile said. The division will establish a dealer assistance center in Lansing, Mich., to provide more frequent contact — by telephone — with smaller dealers.

The center will provide quicker responses to dealer questions, Lahti said.

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GM to replace tires on some models

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors has told dealers it will replace up to two tires free on selected vehicles because of excessive tread wear.

Although GM has not publicized the program, dealer bulletins obtained by the Washington-based Center for Auto Safety show GM is offering the free tires on 1985 Buick LeSabre and Riviera and 1985 and 1986 Century, Regal and LeSabre and Electra Estate Wagon. Replacement is offered only for models equipped with all-season radials on non-driving wheels during the first 12 months or 12,000 miles.

A similar free-tire-replacement program is in place for Cadillac's 1985 and 1986 Fleetwood Brougham and 1985 Eldorado and Seville; GMC's and Chevrolet's 1985-1986 M and G vans, C/K trucks and S/T trucks; and Chevrolet's 1985 and 1986 Caprice and Monte Carlo, according to GM service bulletins.

A Washington spokesman for GM said the fix was offered after GM found its original-equipment all-season tires, "extremely sensitive to misalignment."

The spokesman said "fewer than 50,000 tires have been replaced." He said GM told dealers about the problem in February, changed factory alignments, then began the replacement program in May.

Tires covered by the program include the Uniroyal Tiger Paw Plus, Goodyear Vector, Firestone Supreme, General Ameriway X7 and Michelin XZ4, GM said.

The problem was brought to the attention of the Center for Auto Safety by Maine Attorney General James E. Tierney. Tierney told the center in a letter dated Oct. 23, 1986, that a tire dealer in Portland, Maine, "which is the outlet for the tires used on General Motors cars, states it is receiving approximately 20 complaints a week concerning tire wear on front-wheel-drive GM cars."

The attorney general added, "Apparently, the tire warrantor will replace the tires, giving the consumer a discount based on the amount of tread lost due to the General Motors defect. However, consumers are sometimes being charged for the rebalancing and realignment."

INVENTORIES

Domestic stockpile rises, imports cut supply

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Stocks of new domestic cars in November continued to climb as they have since widespread incentives were dropped early in October.

For certain domestic models, stocks soared as sales tumbled dramatically.

By comparison, stronger sales of imported cars forced their days' supplies down slightly.

On Dec. 1, the days' supply of domestic cars was 71, up from 60 days on Nov. 1.

The ideal days' supply for domestic models is generally considered to be no more than 60 days.

As December opened, there were 1,531,295 new domestic cars in inventory at assembly plants, dealerships and in transit to dealerships. A month earlier, 1,412,637 cars were stockpiled.

Inventory levels climbed at all domestic manufacturers with the exceptions of Honda and Volkswagen.

American Motors had a 120-day supply on Dec. 1, up from 69 days a month earlier; General Motors stocks climbed to 84 days, up from 68; Chrysler Motors stocks rose to 75 days, up from 54; Ford Motor Co. stocks inched up from 56 days to 58; and Nissan domestic stocks climbed from 46 to 56 days.

Volkswagen supplies fell from 93 to 86 days and Honda stocks slipped from 11 to 5.

Two domestic car lines and 24 models reported stockpiles representing more than 100 days' worth of sales.

Renault had a 133 day supply at the start of December and Buick was stocked with a 102 days' worth.

GM had 15 models with supplies of more than 100 days; Chrysler had seven; AMC had one (Renault Alliance) and Ford had one (the discontinued Mercury Capri).

Companies shared the Dec. 1 domestic inventory as follows: GM, 58.45 percent; Ford, 23.12 percent; Chrysler, 14.60 percent; AMC, 1.26 percent; VW, 1.14 percent; Nissan, 1.05 percent; and Honda, 0.38 percent.

A month earlier, shares were: GM, 58.38 percent; Ford, 22.83 percent; Chrysler, 14.54 percent; AMC, 1.36 percent; VW, 1.30 percent; Nissan, 0.80 percent; and Honda, 0.79 percent.

Shares by market class on Dec. 1 were: intermediate, 33.31 percent; compact, 23.02 percent; subcompact, 19.37 percent; standard, 13.56 percent; and luxury, 10.74 percent.

Shares on Nov. 1 were: intermediate, 33.78 percent; compact, 22.16 percent; subcompact, 19.01 percent; standard, 13.41 percent; and luxury, 11.64 percent.

Although the number of imported cars in stock increased slightly in November, the days' supply fell from 42 days on Nov. 1 to 41 days on Dec. 1. One year earlier, the days' supply was 31.

December opened with an inventory of 455,303 cars, up from 425,608 on Nov. 1.

On Dec. 1, 1985, import cars numbered 304,079.

The number of new imported trucks on hand also rose while the days' supply fell — again due to an increased sales rate.

The number of new imported trucks in stock as December opened totaled 194,033, up from 186,825 on Nov. 1 and 103,138 on Dec. 1, 1985.

Truck inventories represented a 56-day supply on Dec. 1, down from 69 a month earlier and 41 a year earlier.

The combined car and truck stockpile on Dec. 1 totaled 649,336 vehicles, 6.03 percent above the 612,433 on Nov. 1 and 60.24 percent above the Dec. 1, 1985 total of 405,217 units.

Days' supply for cars and trucks combined was 45 on Dec. 1, compared with 48 a month earlier and 33 a year earlier.

On Dec. 1, import-car inventories were divided this way: Japan, 70.58 percent; West Germany, 18.47 percent; and other countries, 10.95 percent.

One month earlier, import-car inventories were divided: Japan, 71.40 percent; West Germany, 18.17 percent; and other countries, 10.43 percent.

Import inventory figures include dealer and port stocks and vehicles in transit.

By country of origin, the days-supply figures for imported cars were: Japan — Honda (imports only), 5; Toyota, 16; Acura, 25; Mazda, 45; Subaru, 50; Isuzu, 56; Nissan, 65; Mitsubishi, 81; Chrysler Motors, 113; and Chevrolet, 133 (including 124 for the Isuzu-built Spectrum and 148 for the Suzuki-built Sprint).

West Germany — Mercedes-Benz, 27; Porsche, 41; BMW, 57; Volkswagen (imports only), 91; Audi, 120; and Merkur, 163.

Other countries — Jaguar, 22; Hyundai, 23; Alfa Romeo, 34; Saab, 35; Yugo, 36; Volvo, 48; Peugeot, 62; and Renault (imports only), 92.

Days' supplies of light trucks were: Suzuki, 25; Toyota, 36; Mazda, 47; Chrysler imports, 55; Mitsubishi, 64; Isuzu, 88; and Nissan, 97. Nissan's domestic built models are included in the total.

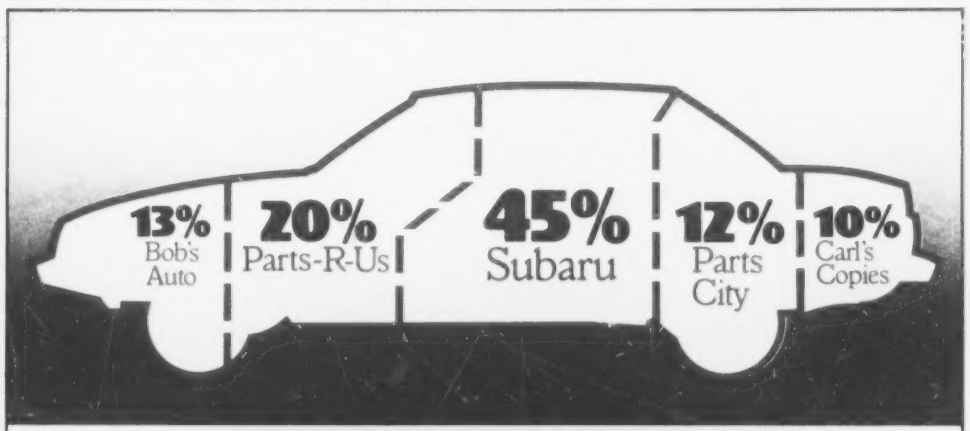
IMPORT DAYS' SUPPLIES

	Dec. 1, 1986	Nov. 1, 1986	Dec. 1, 1985
Spectrum	124	85	131
Sprint	148	122	64
Chevrolet	133	95	96
Chrysler Corp.	113	112	67
Acura	25	31	0
Honda	5	13	6
Isuzu	56	79	101
Mazda	45	48	18
Mitsubishi	81	104	32
Nissan	65	54	26
Subaru	50	40	17
Toyota	16	22	11
JAPAN	39	42	24
Audi	120	77	62
BMW	57	51	68
Mercedes-Benz	27	16	24
Merkur	163	108	139
Porsche	41	37	52
VW	91	89	71
GERMANY	66	56	59
Alfa Romeo	34	42	62
Hyundai	23	22	0
Jaguar	22	18	16
Peugeot	62	61	90
Renault	92	57	221
Saab	35	35	37
Volvo	48	35	54
Yugo	36	41	14
Other Countries	33	30	51
Total Import Cars	41	42	31
Isuzu	88	119	103
Mazda	47	42	21
Mitsubishi	64	118	32
Nissan*	97	130	55
Suzuki	25	19	0
Toyota	36	46	23
Chrysler	55	81	66
Total Import Trucks	56	69	41
Total Imp. Vehicles	45	48	33

*Includes domestic trucks.

DOMESTIC DAYS' SUPPLIES

	Dec. 1, 1986	Nov. 1, 1986	Dec. 1, 1985
Alliance	133	74	108
Encore	0	65	244
Total Renault	133	72	137
Eagle	51	58	122
Total AMC	51	58	122
AMERICAN MOTORS	120	69	135
Horizon	49	49	83
Sundance	57	85	0
Turismo	199	71	92
Reliant	78	55	79
Caravelle	60	40	72
Plymouth	103	80	80
Total Plymouth	70	56	81
Laser	189	99	134
LeBaron K	52	33	91
LeBarron GTS	115	47	82
Fifth Avenue	106	67	34
New Yorker	92	49	73
Total Chrysler	95	52	76
Omni	51	48	89
Shadow	44	64	0
Charger	172	55	91
Daytona	145	49	98
Aries	60	65	85
Lancer	133	54	99
Diplomat	86	53	64
Dodge 600	61	44	90
Total Dodge	68	55	89
CHRYSLER MOTORS	75	54	82
EXP	0	0	164
Escort	62	58	36
Mustang	60	48	68
Tempo	76	62	47
Taurus	52	59	0
Thunderbird	62	68	93
LTD	0	0	110
Crown Victoria	59	68	72
Total Ford Division	61	60	58
Lynx	81	60	54
Topaz	74	67	45
Sable	50	54	0
Cougar XR-7	82	30	100
Capri	133	69	127
Marquis	0	0	108
Grand Marquis	45	51	65
Total Mercury	59	54	75
Continental	37	46	59
Lincoln	39	38	41
Mark VII	52	64	58
Total Lincoln	41	42	45
Total L-M Division	53	49	65
FORD MOTOR CO.	58	56	60
Skyhawk	158	69	111
Skylark	0	0	5
Somerset Regal	163	73	136
Century	78	34	107
Regal	136	57	154
LeSabre	103	82	82
Electra	67	57	137
Riviera	85	60	57
Total Buick	102	58	115
Cimarron	108	71	108
Seville	51	61	65
Cadillac	66	63	81
Eldorado	89	59	53
Total Cadillac	68	63	76
Chevette	63	73	59
Nova	146	87	115
Cavalier	113	97	83
Citation	0	0	102
Camaro	143	108	85
Celebrity	62	66	61
Corsica/Beretta	23	24	0
Monte Carlo	114	85	90
Chevrolet	81	81	100
Corvette	89	84	115
Total Chevrolet	88	82	82
Firenza	146	107	110
Calais	76	77	87
Cutlass Ciera	58	40	68
Cutlass Supreme	92	71	104
Olds 88	61	57	59
Olds 98	67	76	67
Toronado	62	66	61
Total Oldsmobile	72	59	77
Fiero	174	129	133
1000	174	141	109
Sunbird	133	106	86
Firebird	114	97	66
Grand Am	43	43	32
6000	66	48	75
Bonn./Gr. Prix	132	85	125
Grand Prix	0	0	148
Parisienne/Bonn.	79	82	126
Total Pontiac	82	70	81
GENERAL MOTORS	84	66	86
VOLKSWAGEN	86	93	77
HONDA	5	11	8
NISSAN	56	46	18
DOMESTIC TOTAL	71	60	77
Subcompact	59	55	63
Compact	94	74	77
Intermediate	68	55	65
Standard	72	68	83
Luxury	66	59	73



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TRUCK INDUSTRY

Incentives call the tune in November

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

While General Motors and Ford Motor Co. concentrated on improving the per-unit profitability of the trucks they sell, Chrysler Motors and the imports began eating their competitors' lunches in November.

GM and Ford decided not to match Chrysler's low-interest financing programs, for example. They kicked off Nov. 21 with some telling effects on market shares.

An analysis of November light truck sales shows that Ford's share of the light-truck market dropped to 26.5 percent from 30.5 percent in like 1985, while Chevrolet's share dropped to 22.9 percent from 28.0 percent in like 1985.

GMC and Jeep also saw their market shares erode an identical 1.0 percentage point. Each captured 5.7 percent of the light truck market in November, compared to the 6.7 percent share each held in the like year-ago month.

Chrysler's share, meanwhile, increased to 16.4 percent from 10.9 percent a year earlier; the imports captured 22.9 percent of the light truck market compared to 17.2 percent last year.

A significant part of Chrysler's gains, of course, are due to new truck lines — the Dakota and Raider — which it began offering in the 1987 model year. But there's no discounting the impact of its low-interest financing programs which run through Jan. 20.

Meanwhile, the overall light-truck market softened slightly in November, with industrywide sales down 6.3 percent from last year's record-setting pace.

Light-duty truck manufacturers retailed 318,420 units in November compared to 339,766 in like 1985.

Industrywide light-truck sales of 4,187,197 for the first 11 months of calendar 1986, however, maintained a strong lead over last year's 4,039,101 for the comparable period, guaranteeing another calendar-year record in 1986.

Chrysler's November light-truck sales of 52,368 units were up 41.2 percent from a year ago.

The imports retailed 72,872 trucks, up 24.4 percent from November 1985.

All other manufacturers, including Jeep which previously had a long string of sales records. were off in the month.

Ford's sales of 83,815 light trucks in November were off 19.1 percent from a year earlier.

Eleven-month Ford light-truck sales of 1,208,096 were up 8.1 percent over like 1985.

Ford chalked up sales gains in its medium and heavy trucks during November, bringing its total monthly truck sales to 88,483, off 18.2 percent from like 1985.

Year-to-date, it retailed a total of 1,258,750 trucks, up 7.2 percent from last year.

Chevrolet retailed 73,017 light trucks in November, off 23.1 percent from last year.

Year-to-date, it retailed 1,135,435 light trucks, off from 1,174,217.

Chevrolet retailed a total of 74,176 trucks in November, off from 96,712 last year. Year-to-date, it retailed a total of 1,152,098 trucks, off from 1,193,547 last year.

Heady '87 forecast from GMC

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

GMC's 1987 model new-truck lineup closely resembles Chevrolet's, and GMC officials are predicting record sales for the 1987 calendar year.

GMC's sales projections, though, are beginning to look overly optimistic, particularly in view of its sales falloff in November.

John D. Rock, manager of GMC Truck & Coach, said he is looking for record industry sales of 4.9 million truck sales in calendar 1986 which would top the 4,758,530 sold in calendar 1985.

He anticipates more than 4.6 million light-duty truck sales industrywide, up from 4,470,641 in calendar 1985; 155,000 medium-duty sales, up from 152,113 in 1985; and 115,000 Class 8 heavy-duty trucks, off from 135,776 in 1985.

GMC's S-15 Club Coupe Pickup

He also predicted GMC will sell a record 362,000 trucks in the 1987 model year, topping the 353,286 sold in 1986.

Rock pointed to the division's record-breaking sales momentum, a strong product line that will be augmented by new full-sized pickups in spring, revitalized dealer organization and firm base of customer support to help it achieve its ambitious target.

Aside from record light-truck sales in model year 1986, GMC dealers sold over 32,000 medium duties, their best showing in a dozen years, Rock said.

He anticipates a similar medium-duty performance in the 1987 model year.

Strengthening GMC's confidence is another large order recently placed by Ryder Truck Rental. Production of about 5,000 Ryder medium-duties began in December at Pontiac. Another 1,200 medium duties will be built for Hertz-Penske, beginning in January.

GMC's light-duty trucks have the same engineering improvements as Chevrolet for 1987.

That includes electronic fuel injection in virtually all trucks up to 10,000 pounds, a new serpentine single belt accessory drive system and other performance improvements.

The 2.5-liter engine's output went from 92 to 98 hp, for example. The 4.3 liter V-6, with its new closed loop fuel injection and roller tappet camshaft, offers 160 hp, and ratings on the 5.0 liter increased from 160 to 170 hp.

The 5.7-liter engine is rated at 210 hp for most applications, up from 165 hp in the 1986 model year. It has 300 foot-pounds of torque at 2,800 rpm.

The 7.4-liter V-8 provides 230 hp at 3,600 rpm and 385 foot-pounds of torque at 1,600 rpm.

GMC's S-15 models feature several new interior treatments in uplevel trims. For example, color-keyed floor mats and sporty leather trim bucket seats are options for extended cab S-15 pickups and S-Jimmy models.

A new "Timberline" version of Jimmy will become available later in the model year. It is comparable to Chevrolet's "High Country" package on Blazer.

It features special paint, blending from black to gold, gold aluminum wheels and unique interior seats.

The compact Safari van, competing in a segment that accounted for more than 600,000 sales in the 1986 model year, also gets a new "Touring Package," tailored to style, comfort and appearance.

Outside, it has a unique two-tone paint scheme. Inside, it has upscale trim and front bucket seats that are wider and more plush than those previously available, and are closer to what a customizer might offer.

The back seats also offer a split bench seat option, with a center console. The rear seats have an adjustable full-width headrest and reclining back.

A seating configuration with four buckets will also be available in the Safari Touring Package, slated to debut in January.

A new trailering package increases Safari's towing capacity to 6,000 pounds.

The van also features a new roof luggage rack finished in satin black with adjustable tie-down bars and rubber roof protector strips.

A new sporty air dam and fog lamp package with improved aerodynamics will be available later in the year.

A new four-spoke steering wheel is available in several configurations — base vinyl wheel, soft custom wheel and sporty luxury wheel.

A new four-speed transmission is available for Safari cargo vans with the base four-cylinder engine. It provides quieter operation and smoother shifting.

The full-sized Rally passenger vans, Vandura cargo vans, full-sized pickups and Suburban are largely unchanged from last year.

The 6.2-liter diesel is available for Jimmy applications in all states except California.

GMC has also complemented its W4 Forward medium-duty imported truck with a higher GVW model. The Forward is available in 11,000 pounds GVW and, for 1987, with a 13,250-pound rating in all states except California.

Other standard features added for 1987 include radial tires and a newly designed grille.

The bigger W7 Forward is available with GVW ratings up to 33,000 pounds.

For 1987, there's a special tractor model in the W7HV series, the "heavy version" of the GMC Forward Line. It features a 60,000-pound gross combined vehicle weight rating for tractor-trailer applications.

New for 1987 is the availability of the 8.2-liter Detroit Diesel in naturally aspirated and turbocharged versions of GMC's medium duty Top Kick series.

U.S. post office order is high for Volvo White

GREENSBORO, N.C. — As part of its continuing efforts to expand and modernize its heavy-duty truck fleet, the U.S. post office has ordered 497 White Xpeditor low cabover tractors from Volvo White Truck Corp.

The order includes 348 single axle tractors and 149 tandem axle units. Cost of the trucks exceeds $20 million.

The order, single largest dealer order ever received by Volvo White, was placed with Weber White Trucks, a Volvo White dealer in Washington, D.C.

Weber White submitted bids for both the single and tandem axle groups, based on Post Office specifications for performance, durability and operating economy.

The Xpeditors will be used primarily to haul mail and parcel post between Post Office facilities within major metropolitan areas around the country.

MAJOR MANUFACTURERS BY SEGMENT

	November		Year-to-Date	
	1986	1985	1986	1985
Light-Duty	83,815	103,576	1,208,096	1,118,004
Medium-Duty	3,714	3,617	39,262	42,079
Heavy-Duty	954	934	11,392	13,984
Ford Total	**88,483**	**108,127**	**1,258,750**	**1,174,067**
Light-Duty	73,017	95,004	1,135,435	1,174,217
Medium-Duty	1,159	1,708	16,663	19,330
Chevrolet Total	**74,176**	**96,712**	**1,152,098**	**1,193,547**
Light-Duty	18,275	22,681	280,452	287,197
Medium-Duty	1,854	1,461	28,304	28,570
Heavy-Duty	437	759	6,661	10,036
GMC Total	**20,566**	**24,901**	**315,417**	**323,803**

Light-Duty November, Year-to-Date Sales

	November		Year-to-Date	
	1986	1985	1986	1985
Vans	12,703	13,453	161,681	169,457
Aerostar	12,408	8,481	134,907	22,408
Club Wagon	2,201	2,442	24,428	29,449
Ranger	15,303	24,882	248,001	227,528
Bronco	3,918	4,839	44,310	47,663
Bronco II	7,712	12,493	93,449	97,675
Pickups	29,570	36,986	501,320	523,824
Ford	**83,815**	**103,576**	**1,208,096**	**1,118,004**
Vans	7,826	10,814	126,504	139,338
Sportsvan	853	1,275	14,575	19,455
Astro	11,283	9,257	133,274	95,701
S-10	10,906	16,361	188,467	195,620
S-10 Blazer	9,172	19,554	147,696	170,742
El Camino	1,117	1,760	19,988	19,231
Blazer	2,359	4,068	38,791	41,866
Suburban	3,888	4,422	56,050	53,842
Pickups	25,613	27,493	410,090	438,422
Chevrolet	**73,017**	**95,004**	**1,135,435**	**1,174,217**
Vans	4,184	3,749	67,295	59,123
Ram Wagon	2,143	2,389	35,961	37,047
Voyager	8,573	7,277	98,353	96,783
Caravan	9,179	7,504	104,331	102,919
Mini Ram Van	965	1,015	13,427	21,028
Ram 50	8,941	5,458	71,075	64,585
Raider	1,162	0	3,467	0
Ramcharger	1,298	977	21,161	27,949
Dakota	8,275	0	18,166	0
Pickups	7,648	8,726	96,739	151,023
Chrysler	**52,368**	**37,087**	**530,875**	**566,457**
Vans	2,243	2,544	35,820	37,272
Safari	2,186	1,894	27,632	22,486
S-15	2,120	3,711	42,730	43,926
S-15 Jimmy	2,154	4,326	35,918	38,776
Jimmy	732	941	8,519	8,149
Caballero	109	294	2,377	2,355
Suburban	1,435	1,276	17,962	16,468
Pickups	6,868	7,597	104,330	111,557
P Model	308	277	4,011	6,137
W-4	118	11	1,153	11
GMC	**18,275**	**22,681**	**280,452**	**287,197**
Wrangler/CJ	2,530	3,466	31,275	35,440
Wagoneer	1,508	1,698	11,464	12,325
Cherokee	9,504	12,867	96,708	88,924
Grand Wagoneer	1,883	1,419	14,945	15,595
Comanche	2,555	3,205	30,358	6,671
J-10/J-20	93	179	1,415	1,791
Jeep	**18,073**	**22,834**	**186,165**	**160,746**
Toyota	29,965	26,510	348,992	297,946
Nissan	15,425	13,749	203,176	240,051
Mazda	11,084	8,690	142,385	105,339
Isuzu	7,857	5,564	79,371	70,172
Mitsubishi	4,533	3,022	31,213	24,833
Suzuki	4,208	1,039	40,937	1,039
Imports	**72,872**	**58,574**	**846,074**	**739,480**
Industry Total	**318,420**	**339,766**	**4,187,197**	**4,039,101**

*Nissan includes domestically-built units in Tennessee.

SERVICE MANAGEMENT

How dealers sell service for winter

SHOP TALK

ARTHUR FLAX

Automotive News recently surveyed dealers to find out how they encourage customers to return for winter car preparation. Their methods ranged from those shops which rely solely on their reputations to those that use computerized mailing systems.

One of the respondents, Delaware Oldsmobile-Volvo-Saab, Wilmington, Del. has a particularly advanced computerized service system, according to Steve Gerkens, service director.

The 46-year-old dealership has in its service data base the names of its 20,000 Oldsmobile customers and 4,000 import-car customers. The computer is programmed to suggest maintenance procedures to customers, via postcard, based on the time and mileage interval since their last service visit.

The seasons also play a part in the type of service suggested. For example, cooling system service is automatically offered in the fall, air conditioning service in the spring.

The computer system at Delaware Olds has been in place since 1979 and has been continually updated.

Gerkens said he has watched the dealership switch from handwritten repair orders to computer-written tickets that tie into the computer's accounting system.

Not all of the updating went smoothly. He said an effort to program the computer to dispatch technicians to vehicles failed quickly.

Saab training

ORANGE, Conn. — Saab-Scania of America will open three more training centers in the United States to offer more accessible training to its dealers.

Until the first satellite training center recently opened in Dallas, Saab's training schools were in its regional offices. Similar satellite training centers are slated for Boston, Baltimore and for the New Haven area. This last center will replace a Saab training facility in West Haven, Conn.

Saab's other traditional training centers are in Schiller Park, Ill.; Torrance, Calif.; and Atlanta.

The new sites will give dealers in almost every major metropolitan area easy transportation to a Saab training center, field school or temporary vocational school facility, a spokesman said.

Chevrolet technicians

A number of auto manufacturers — most notably General Motors, Saab and Volvo — hold contests to

see SHOP TALK, page 20

Ideal design? No, compromise

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The perfectly serviceable vehicle probably would have an engine bay large enough to fit a piano. All of the components and accessories — oil filter, alternator, spark plugs and such — would be neatly laid out and easily accessible.

The perfectly serviceable vehicle, however, is not practical. Engine and component space, cost and ease of assembly are just some of the trade-offs engineers must balance with serviceability when designing vehicles.

Service engineers work with design engineers from the start of a product's development cycle to minimize the trade-offs.

"There is a general contest for space, what goes where, ease of assembly and serviceability," said Donald R. Morgan, Ford Parts and Service Division supervisor of advanced service engineering.

"In assembly, sometimes it is easier to put large parts on the engine before it goes into the car. We hope they don't put something on that we can't reach without removing the engine. Sometimes we get surprised, but if we can see it on paper, it is easier to change than in hard metal."

A Ford engine project generally starts six years before introduction, according to Morgan. Vehicle design usually starts four years before introduction.

"We start when we see a new engine coming," Morgan said. "We list the serviceability requirements and also the service wants."

That list, he said, is some 10 pages long. A requirement might be that the water pump can be removed without removing the engine. A want might be for an oil filter that can be changed from above the engine.

Chrysler Motors engineers also design serviceability into a product from the start of the design cycle — about four years for a new engine and three to four years for a vehicle — according to Ray Bollman, manager of serviceability and technical service liasion.

Bollman said, "At Chrysler, serviceability is defined by certain statements in the product plan during the concept stage. In every case they address the cost of car ownership."

Automobiles, said Bollman, must be serviceable to the dealership mechanic, the independent shop mechanic and the do-it-yourself customer.

Service features that meet these goals, said Bollman, are designed in at the concept stage and "protected" from deviations through the development stage.

Service engineers meet with vehicle design engineers throughout the development stages of a project.

Chrysler rates its serviceability features on a one, two or three priority level. A level one priority is a must-have, and Bollman said he has never lost on a top priority request. Level two reflects a moderate need for a service feature, and level three is a "nice to have" feature, he said.

A cost trade-off, said Bollman, is never a consideration for a high-priority item. For example, he said, Chrysler would never "hide" an oil filter.

Although there is an occasional need for special tools which only work in certain situations, they are avoided if possible, according to the service engineers.

New types of fasteners may, however, replace traditional designs when they offer assembly or appearance advantages. For example, the "Torx" head screw developed by the Camcar Division of Textron, which features a star shaped indentation for a tool, is proving popular.

Designing a car to be serviceable is easier with a clean sheet of paper, but sometimes engineers have to make do with what is available.

Inside Chrysler's design center: Ray Bollman and the new V-6 in a minivan buck

Providing easily serviceable V-6 engine installations in both Ford and Chrysler minivans proved to be a challenge, according to Bollman and Morgan.

Chrysler recently adapted a Mitsubishi V-6 for 1987½ minivans. A little more engine compartment room would have made the job easier, Bollman said.

"On the Aerostar," Morgan said, "we should have left another inch or so of room. When this happens, we understand and quantify the situation and say we will never do it again. If we could do the Aerostar with a clean sheet, we would leave more room."

Auto companies test serviceabilty and access to components on design bucks, mock-ups of front-end sheetmetal and engine compartments.

Ford has three design rooms in which are numerous configurations of new-model front-ends.

Engines are placed in the bucks to see how they fit. When completed engines aren't available, engine blocks and mock-up parts are placed in the buck.

Morgan said 1988 models are in the final service design stage, 1989s are being studied carefully and 1990 bucks have engine blocks placed in a plastic model of the front end.

"After the sheet metal is available, we will replace the plastic, and when a metal manifold replaces the wood, we will use that," Morgan said.

Chrysler engineers follow a similar time schedule and practice, Bollman indicated.

Manufacturers are placing greater emphasis on engine compartment appearance than they have in the past. Ford highlights major service locations such as oil and other fluid locations with yellow markers.

"Five or 10 years ago there was spaghetti under the hood," Morgan said. "Now it is pretty good."

Although an organized engine compartment is less intimidating to the mechanic, it does not ensure serviceability. Component covers, for example, often improve appearance because they are made of an aluminum alloy, but they also take up space and make parts less accessible, according to Morgan.

At Chrysler, an "under hood committee" meets every two weeks to clean up appearances. The committee routes such items as hoses, cables and wires to improve serviceability.

Service business surge continued in October

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships continued in October to outpace the year-earlier level, as it has this year in all but February.

However, the increase in October was significantly less than in September.

SERVICE INDEX
105.7★

	October, '86 vs. October, '85	10 mos., '86 vs. 10 mos., '85
Gross Profit on All Labor and P&A Sales	+8.7%	+7.5%
Repair Orders Written	−2.9%	+0.5%
Total Labor Sales (Customer & Warranty)	+8.1%	+9.2%
Shop Parts Sales (Customer & Warranty)	+ 9.3%	+7.2%
Sales of All P&A	+ 5.5%	+4.0%

★—Survey by Automotive News shows that dealers' service and parts business in October, 1986, was 105.7 percent of business in October, 1985. Service business in the first 10 months of 1986 was 105.7 percent of business in the corresponding period in 1985.

Service volume for the first 10 months of 1986 also outpaced the volume during the corresponding 1985 period.

The Automotive News Service Index shows shop business at dealerships in October amounted to 105.7 percent of the volume recorded in October 1985. Shop business in September amounted to 111.4 percent of the volume in September 1985.

October was the eighth straight month in which service volume topped that of the year-ago month.

The year's largest increase occurred in June, when the service volume amounted to 114.3 percent of the volume recorded in June 1985.

In February, service volume amounted to 99.6 percent of that in February 1985.

In the first 10 months of 1986, service volume was 105.7 percent of that in the same 1985 period.

Dealers and service managers tied the increases in service volume to the strong, incentive-induced domestic car sales in September and early October. Sales of domestic cars, however, fell in late October and that may have accounted for the less impressive service volume of October, compared with September.

Industry experts say new-car customers often bring in their old cars for repairs before selling them. Also, a rush in new-car sales often results in a later wave of customers who return for warranty work.

In October, dealers also reported that winter car preparation service increased business.

A northeastern Chrysler-Plymouth-Dodge and AMC-Jeep-Renault dealer said service volume increased due to large-car sales in September.

A midwestern Ford dealer also tied service volume increases to incentive-stimulated car sales.

A northeastern Saab dealer said service increased in October due to "winterization" programs.

A western Cadillac dealer said body shop sales were up sharply. Also, the dealer said October is a "long service month" and his shop was open 23 days.

An eastern Oldsmobile dealer said "a loss of service technicians and poor sales months in July and August" contributed to an October decline.

In October, shop parts sales (customer paid and warranty) showed the largest gain of all indicators, up 9.3 percent.

Gross profit on all labor, parts and accessories sales climbed 8.7 percent; total labor sales (customer paid and warranty) were up 8.1 percent; and sales of all parts and accessories were up 5.5 percent.

Repair orders written were down 2.9 percent.

In addition, parts and accessories sales to off-premises customers were up 3.0 percent in October.

Total labor sales registered the biggest gain in the first 10 months of 1986, climbing 9.2 percent over the 1985 period. Gross profit on labor, parts and accessories sales rose 7.5 percent through October; shop parts sales increased 7.2 percent; sales of all parts and accessories climbed 4.0 percent; and repair orders written edged up 0.5 percent.

Parts and accessories sales to off-premises customers were up 1.4 percent through October 1986.

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N.C. dealer sues Toyota, distributor over supply

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A North Carolina dealer is suing Toyota Motor Sales U.S.A. and its distributor, Southeast Toyota (SET), for $30 million over new vehicle allocation practices based on a "turn to earn" system.

The lawsuit filed by Rice's Toyota World of Greensboro, N.C., charges that Toyota and SET used the system to deny the dealership vehicles and cites a 1983 state law it says was designed to stop turn to earn practices.

According to the complaint, SET implemented in 1982 "a 100 percent turn to earn allocation system...based on the dealer's daily sales performance averaged over the preceding 30 days.

"The turn to earn system was subsequently modified; however, its primary thrust remained the same — the dealer had to sell a car to earn a car."

A spokesman for Toyota Motor Sales declined comment on the suit, while an attorney handling the case for SET said, "It is our policy never to comment on pending litigation. We will respond in court."

While the 1983 state law makes no specific reference to turn to earn, Donald Stickland, an attorney representing the dealership's owner, Garson Rice, said, he believes eliminating turn to earn "was the intent of the statute."

The law prohibits manufacturers from delaying, refusing or failing to deliver motor vehicles "in reasonable quantities relative to the new motor vehicle dealer's facilities and sales potential in the...dealer's relevant market area and within a reasonable time, after receipt of an order from a dealer."

The law also said that if one dealer's order is filled before a previously ordered identical car from another dealer, it is "evidence of a delayed delivery or refusal to deliver."

A clause in Rice's franchise agreement, which was entered as evidence, said his allocation would be based on sales if there is a shortage of vehicles caused by factors beyond the distributor's or manufacturer's control.

Rice's agreement states, "where such shortage is expected to exist for a significant period, it is understood and agreed that such vehicles will be allocated by distributor to dealer principally on the basis of sales performance during the most recent representative period of adequate supply."

The suit charges that in addition to using turn to earn, SET also bases allocations on: number of cars sold to World Omni Leasing, Inc., an affiliate of the distributor; the number of cargo vans a dealer orders that are converted to passenger units by another SET company; use of the distributor's finance and insurance programs; number of parts and accessories added to new vehicles shipped to the dealer by SET.

In addition to filing the lawsuit, Stickland said a complaint has been lodged with the Commission of Motor Vehicles in North Carolina seeking the suspension of SET's state license and legal action by the state to halt turn and earn practices.

U.S. IMPORT SALES

	Nov. 1986	Nov. 1985	11 Mos., 1986	11 Mos., 1985
ACURA	7,152	0	43,589	0
Integra	3,297	0	22,769	0
Legend	3,855	0	20,820	0
ALFA ROMEO	872	319	7,627	4,320
AUDI	3,596	6,099	56,009	67,718
4000S	670	1,319	11,450	16,226
4000CS Quattro	405	465	3,757	4,315
5000S	1,500	3,133	27,758	30,849
5000CS Turbo	396	506	5,942	6,052
5000CS Turbo Quattro	354	181	2,898	5,268
Quattro Coupe	0	6	1	71
Coupe GT	173	297	2,648	3,309
BMW	7,035	6,380	86,287	80,181
318i	6	1,048	899	22,661
524 TD	20	278	1,736	1,621
325	4,274	2,270	54,485	26,653
528e	1,612	743	13,778	10,117
535i	277	496	6,612	6,359
635CSi	274	331	2,594	3,473
735/L-7	572	1,214	6,183	9,297
CHEVROLET	8,733	11,587	148,945	75,437
Spectrum	5,748	5,961	91,446	49,419
Sprint	2,985	5,606	57,499	26,018
CHRYSLER/MITSUBISHI	9,354	12,208	122,944	91,707
Colt	5,583	9,166	85,419	65,917
Conquest	772	477	5,982	4,880
Vista	2,999	2,565	31,543	20,910
HONDA	37,447	37,565	365,093	365,547
Civic/CRX	18,549	18,339	194,915	185,355
Accord	12,291	13,040	100,160	109,709
Prelude	6,607	6,186	70,018	70,483
HYUNDAI	15,925	0	146,470	0
ISUZU	5,260	1,913	34,248	25,035
I-Mark	4,136	1,172	22,632	11,516
Impulse	1,124	741	11,616	13,519
JAGUAR	1,829	1,530	21,707	17,414
XJ6	1,388	1,376	17,467	14,254
XJS	441	154	4,240	3,160
MASERATI	50	80	1,119	1,298
MAZDA	18,134	22,802	194,417	185,625
323	6,443	8,788	65,000	55,263
626	7,401	9,369	79,736	81,961
RX-7	4,290	4,645	49,641	48,401
MERCEDES BENZ	8,390	7,311	85,622	76,784
190	1,780	1,809	18,857	23,443
260E	213	0	333	0
300	2,452	2,164	24,453	26,627
300SDL Turbo	681	0	6,056	0
420SEL/380	1,258	1,258	14,075	7,076
560SEL/500	863	662	8,989	7,150
560SL	982	1,266	10,836	9,165
560SEC	161	152	2,023	1,335
Tourist	161	152	2,010	1,988
MERKUR	590	815	13,557	8,096
MITSUBISHI	4,304	4,018	43,998	46,133
Starion	545	232	5,180	4,439
Cordia	387	453	4,542	7,743
Tredia	628	988	8,553	10,099
Mirage	1,469	1,075	12,913	12,156
Galant	1,275	1,270	12,810	11,696
NISSAN	32,186	43,690	454,807	496,102
Sentra	8,444	12,804	151,041	169,634
Pulsar	2,819	4,425	41,561	46,148
Stanza	5,051	6,020	61,703	59,024
Maxima	7,241	8,818	103,430	90,300
200SX	3,208	4,891	42,627	61,378
300ZX	3,004	5,369	48,368	62,250
Hawaii	2,419	1,363	6,077	7,368
PEUGEOT	1,562	827	13,176	14,666
PORSCHE	2,168	2,542	26,924	22,822
924S	350	0	2,756	0
944	570	1,240	8,644	14,311
944S	231	0	323	0
944 Turbo	136	437	5,835	905
911 Coupe	396	397	3,908	4,027
911 Turbo	87	81	1,222	157
911 Cabriolet	174	94	1,877	1,068
928S	224	293	2,359	2,354
RENAULT	98	486	3,764	6,810
18i	98	486	3,764	6,810
Fuego	0	0	0	0
SAAB	3,787	3,426	44,507	35,819
900	884	1,124	13,165	10,342
900S	1,165	1,147	13,844	10,592
900 Turbo	730	921	7,852	13,601
9000 Turbo	963	196	8,876	196
Tourist	45	38	770	988
SUBARU	12,120	15,526	167,774	161,929
Hatchback	850	1,380	15,006	14,332
3 Door	961	0	10,808	0
4-Door Sedan	2,787	4,705	46,080	52,477
XT	1,499	1,490	22,238	12,626
Station Wagon	5,722	7,695	69,854	78,652
Brat	301	256	3,788	3,842
TOYOTA	62,662	49,187	565,549	566,302
Corolla	14,326	12,314	135,364	155,163
Tercel	8,973	5,661	68,020	83,499
Celica	8,785	8,229	96,625	70,360
Supra	3,211	1,083	29,899	22,389
Camry	15,670	11,492	134,655	115,764
Cressida	3,709	3,240	37,900	41,996
Land Cruiser	471	731	3,864	3,970
Van	2,258	1,955	19,277	30,697
4Runner SR 5	491	472	5,198	14,968
MR2	1,916	2,531	26,094	29,558
Hawaii	577	1,479	5,551	7,938
Other	0	0	0	0
VOLKSWAGEN	8,707	10,509	131,472	130,233
Cabriolet	899	746	13,051	11,722
Jetta	5,289	7,425	86,515	76,331
Vanagon	901	766	11,375	16,135
Quantum	924	970	10,528	13,096
Scirocco	694	602	10,003	12,949
VOLVO	7,873	7,800	111,127	99,946
240 Series	3,464	3,994	53,243	50,632
740 Series	3,430	2,810	46,763	35,666
760 Series	877	866	10,085	11,876
Tourist	102	119	1,036	1,772
YUGO	4,023	920	31,659	3,895
IMPORT TOTAL	263,867	247,540	2,922,391	2,583,809

Includes tourist deliveries.
Toyota import total for Nov. includes 2,275 for the domestic Corolla FX16.

AUCTION DATES

American Motors

Dec. 16 — D-A Auto Auction, New Stanton, Pa., and Aptco Auto Auction, Taylor, Mich.

Dec. 17 — Metro Milwaukee Auto Auction, Caledonia, Wis., and Minneapolis Auto Auction, Plymouth, Minn.

Dec. 18 — Todd Auto Auction, Telford, Pa.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Evansville Auto Auction, Evansville, Ind.

Dec. 23 — D-A Auto Auction, New Stanton, Pa.

Used Car Sales
Auction Averages

December to date	$5,144
Month ago	$5,172
Year ago	$4,589

Chrysler Corp.

Dec. 16 — Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; Dallas Special Sale, Grand Prairie, Tex.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Dec. 17 — Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, Ohio; Southwest Auto Auction, Phoenix, Ariz.; and South Seattle Auto Auction, Kent, Wash.

Dec. 18 — Fredericksburg Auto Auction, Fredericksburg, Va.

Dec. 19 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Dec. 23 — Hatfield Auto Auction, Hatfield, Pa.

Model Breakdown
Auction Averages

	DEC 1986	NOV 1986	OCT 1986
1986	$11,253	$11,299	$11,574
1985	$8,208	$8,265	$8,414
1984	$6,152	$6,186	$6,215
1983	$5,397	$5,420	$5,442
1982	$4,157	$4,190	$4,216
1981	$3,198	$3,244	$3,277
1980	$2,365	$2,387	$2,424
1979	$2,054	$2,069	$2,086
Overall Average	$5,144	$5,181	$5,196

General Motors

Dec. 16 — Southern Auto Auction, Warehouse Point, Conn.

Dec. 17 — Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Brasher's Salt Lake Auto Auction, Salt Lake City.

Dec. 18 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; and Big H Auto Auction, Houston.

Ford Motor Co.

Dec. 16 — South Seattle Auto Auction, Kent, Wash., and Harrisonburg Auto Auction, Harrisonburg, Va.

Dec. 17 — Brasher's Southern California Auto Auction, Fontana, Calif., and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Dec. 18 — Denver Auto Auction, Englewood, Colo.; Houston Predelivery Center, Houston; Skyline Auto Exchange, Fairfield, N.J.; and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler and Garrett donate turbocharged engines to schools

DETROIT — Officials from 10 Michigan schools have each received a gift of a Chrysler turbocharged engine for their engineering and automotive programs.

The presentations were part of a ceremony staged by Chrysler Motors and Garrett Automotive to mark Chrysler's production of its 500,000th turbocharged car.

The engines were presented to the schools' representatives at a dinner in Detroit last month by Frank M. Clark, general manager of powertrain operations at Chrysler, and Walt Ware, vice president and general manager of Garrett Turbocharger Division.

Each school was given a 2.2-liter four-cylinder overhead-cam engine equipped with a Garrett T-3 water-cooled turbocharger for use in the schools' vehicle laboratories.

Through the 1986 model year, Chrysler produced more than 500,000 cars with the engine. Four Chrysler turbocharged cars recently set a Chrysler speed and endurance record by averaging more than 126 mph for 24 hours.

AUCTION DIRECTORY

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NOTICE

Because of the Christmas Holiday . . . The deadline for our Dec. 29 issue will be Wed., December 17, no later than 5 p.m.

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PRODUCTION

Build is 6-month high

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production of 179,985 was the highest for any week since the 180,166 completed the week ended June 21.

The week's output was 15.29 percent more than the previous week's 156,114 but was 1.55 percent below the year-ago week's 182,811.

Companies split last week's estimated production as follows: General Motors, 52.78 percent; Ford Motor Co., 24.03 percent; Chrysler Motors, 13.61 percent; Honda of America Manufacturing Inc., 3.69 percent; New United Motor Manufacturing Inc., 2.33 percent; Nissan Motor Manufacturing Co., U.S.A., 1.62 percent; Volkswagen of America, 1.11 percent; and American Motors, 0.83 percent.

AMC's Kenosha, Wis., plant resumed production last week after being idle for two weeks for inventory adjustment. However, AMC will close the same plant today (Dec. 15) until Jan. 12 for inventory adjustment, affecting 2,000 workers.

The manager at GM's Norwood, Ohio, plant told its 3,500 workers not to report to work the week of Jan. 5. The plant, which assembles Pontiac Firebird and Chevrolet Camaro, will be closed for one week for inventory adjustment.

The number of indefinite layoffs at GM increased last week by 1,500 to 24,000. The layoffs were a result of schedule adjustments at various GM plants.

GM issued a revised figure for layoffs at its Arlington, Texas, plant: 2,100 workers are laid off, not 1,630 as previously announced.

GM scheduled Saturday (Dec. 13) overtime at plants in Lake Orion and Lansing, Mich.

Ford slated Saturday overtime at its Atlanta and Chicago plants. Daily overtime is scheduled this week (Dec. 15) at all Ford plants except Lorain, Ohio.

Chrysler's Belvidere, Ill., and Sterling Heights, Mich., plants were both slated for Saturday overtime. The same plants are scheduled for daily overtime this week.

VW's Westmoreland, Pa., plant resumed output last week (Dec. 8).

Year's best week for U.S. trucks

Domestic truckmakers slated production of 78,947 units last week, marking the best weekly output since the year-ago week's build of 83,892.

Last week's estimated build was 15.95 percent more than the previous week's 68,089.

General Motors' Pontiac West plant in Pontiac, Mich., which assembles the Chevrolet S-10 Blazer and GMC S-15 Jimmy, closed today (Dec. 15) for installation of paint equipment. A total of 1,700 workers will be laid off until Jan. 5, 1987.

The following GM plants were slated for overtime Saturday (Dec. 13): Baltimore; Detroit; and Lordstown, Ohio.

Saturday overtime was scheduled at Ford Motor Co.'s Wayne, Mich., and Lorain, Ohio, plants. Daily overtime is slated at all Ford plants this week except Norfolk, Va.

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

Canada hits million-car mark

Canadian automakers built their one millionth car of the year last Monday (Dec. 8), nine days behind 1985.

Last week's scheduled production of 25,659 cars was 9.72 percent more than the prior week's 23,386 but 4.02 percent below the year-ago week's 26,733.

Truckmakers targeted output of 13,800 units last week, up slightly (0.51 percent) from the previous week's 13,730 but 27.77 percent below the year-ago week's 19,106.

American Motors' Brampton, Ontario, car plant closed last Wednesday (Dec. 10) for inventory adjustment.

CANADIAN CAR	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
AMERICAN MOTORS	60	409	150	210	10,893	4,325
FORD MOTOR	11,694	11,443	10,839	22,533	482,772	504,983
GENERAL MOTORS	13,680	14,656	12,172	25,852	559,818	502,975
VOLVO	225	225	225	450	9,625	9,645
Total Cars, Canada	25,659	26,733	23,386	49,045	1,063,108	1,021,928

U.S. TRUCK☆	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
CHEVROLET	23,601	27,358	14,789	38,390	1,126,620	1,097,950
DODGE	5,800	5,578	6,152	11,952	205,972	142,787
FORD	31,308	30,537	31,976	63,284	1,164,433	1,324,264
GMC	8,237	8,092	5,410	13,647	343,478	343,690
NAVISTAR	1,621	1,481	1,612	3,233	70,990	69,521
JEEP	4,300	5,937	4,060	8,360	223,538	182,363
NISSAN	1,730	2,459	1,740	3,470	105,137	104,360
AM GENERAL*	50	50	50	100	2,430	2,404
MISCELLANEOUS*	2,300	2,000	2,300	4,600	90,953	109,572
Total Trucks, U.S.	78,947	83,892	68,089	147,036	3,333,551	3,376,911

CANADIAN TRUCK	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
AMERICAN MOTORS	300	0	640	940	0	27,120
CHRYSLER	8,964	9,340	9,167	18,131	382,164	386,752
FORD	3,040	3,557	2,754	5,794	157,010	141,353
GENERAL MOTORS	1,296	6,005	968	2,264	276,686	186,726
NAVISTAR	200	204	201	401	10,703	9,068
Total Trucks, Canada	13,800	19,106	13,730	27,530	826,563	751,019
N. American Trucks	92,747	102,998	81,819	174,566	4,160,114	4,127,930

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
AMERICAN MOTORS	1,500	2,882	0	1,500	106,200	48,344
Renault Total	1,500	2,882	0	1,500	106,200	48,344
Alliance	1,500	2,336	0	1,500	70,107	44,997
Encore	0	546	0	0	36,093	3,347
CHRYSLER MOTORS	24,500	28,465	25,851	50,351	1,216,536	1,250,366
Plymouth Total	9,500	9,417	10,109	19,609	354,324	405,236
Horizon	3,800	3,828	3,936	7,736	137,113	165,422
Sundance	2,000	0	2,447	4,447	0	33,094
Reliant	2,900	4,030	2,878	5,778	156,007	146,333
Caravelle	800	1,299	848	1,648	46,670	42,801
Gran Fury	0	260	0	0	14,534	17,586
Chrysler Total	4,400	9,170	4,608	9,008	394,373	357,851
Laser	0	1,110	0	0	50,062	26,978
LeBaron	2,100	3,004	2,025	4,125	91,866	82,734
LeBaron GTS	900	0	1,049	1,949	93,032	60,776
New Yorker/E-Class	1,400	1,335	1,534	2,934	61,942	69,964
Fifth Avenue	0	3,721	0	0	100,471	117,399
Dodge Total	10,600	9,878	11,134	21,734	463,839	487,279
Daytona	700	1,159	605	1,305	45,795	32,125
Omni	3,400	3,496	3,648	7,048	131,605	157,190
Shadow	2,000	0	2,214	4,214	0	31,978
Aries	3,000	3,107	2,728	5,728	130,080	121,727
Dodge 600	800	1,606	1,148	1,948	63,947	61,901
Lancer	700	0	791	1,491	63,820	46,275
Diplomat	0	508	0	0	29,592	36,083
FORD MOTOR	43,259	32,225	40,409	83,668	1,573,402	1,684,739
Ford Division	30,529	21,602	28,120	58,649	1,054,195	1,167,058
Escort	7,924	7,641	6,759	14,683	330,724	361,702
EXP	0	0	0	0	3,838	0
Mustang	4,540	3,830	4,279	8,819	177,816	171,597
Tempo	4,539	4,330	5,091	9,630	181,157	189,127
LTD	0	0	0	0	180,724	0
Taurus	11,310	1,999	9,428	20,738	10,105	317,037
Thunderbird	2,216	3,802	2,563	4,779	162,709	127,595
Crown Victoria	0	0	0	0	7,122	0
L-M Division	12,730	10,623	12,289	25,019	519,207	517,681
Mercury Total	8,673	6,933	7,572	16,245	362,736	342,782
Lynx	1,278	1,713	1,259	2,537	72,239	58,040
Capri	0	760	0	0	19,319	12,344
Topaz	983	1,116	1,271	2,254	52,624	55,486
Cougar	3,068	2,303	2,240	5,308	125,879	96,231
Marquis	0	0	0	0	83,481	0
Sable	3,344	1,041	2,802	6,146	4,462	120,681
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,057	3,690	4,717	8,774	156,471	174,899
Continental	405	510	475	880	24,348	18,814
Lincoln	3,044	2,768	3,537	6,581	114,833	131,179
Mark VII	608	412	705	1,313	17,290	24,906
GENERAL MOTORS	94,956	109,568	76,243	171,199	4,661,767	3,951,225
Buick Total	18,272	21,818	15,213	33,485	967,073	740,977
Skyhawk	1,860	2,621	0	1,860	108,321	78,573
Century	5,645	7,395	5,737	11,382	286,046	221,600
Regal	1,635	2,934	1,811	3,446	130,912	57,502
Skylark (X-car)	0	1,330	0	0	40,953	0
Somerset/Skylark	2,936	1,635	2,279	5,215	113,717	107,394
LeSabre (fwd)	3,158	1,300	2,729	5,887	8,470	149,233
LeSabre/Electra(rwd)	359	239	337	696	95,816	14,483
Electra(fwd)	1,801	3,999	1,805	3,606	135,384	87,383
Riviera	878	365	515	1,393	47,454	24,809
Cadillac Total	8,050	7,206	7,350	15,400	314,673	305,133
Cimarron	500	606	238	738	25,757	22,513
Cadillac (rwd)	1,560	1,616	1,401	2,961	39,133	72,949
DeVille (fwd)	4,315	4,256	4,766	9,081	168,933	164,257
Eldorado	640	394	564	1,204	52,691	23,829
Seville	1,035	334	381	1,416	28,159	21,585
Chevrolet Total	31,536	36,215	22,078	53,614	1,566,769	1,251,779
Chevette	2,744	2,821	2,679	5,423	149,420	101,833
Camaro	3,408	4,739	0	3,408	205,689	165,809
Cavalier	9,590	11,446	2,872	12,462	473,494	376,269
Celebrity	5,053	5,902	6,325	12,378	255,755	249,469
Citation	0	0	0	0	28,699	0
Corsica/Beretta	2,330	0	1,688	4,018	0	12,184
Monte Carlo	1,580	2,874	2,486	4,066	133,066	106,120
Chevrolet	5,191	7,437	5,377	10,568	274,057	213,033
Corvette	640	996	651	1,291	44,458	27,062
Oldsmobile Total	17,660	26,321	16,429	34,089	1,127,956	893,444
Firenza	855	1,293	0	855	60,119	36,655
Calais	3,148	3,378	2,416	5,564	144,122	114,600
Cutlass Ciera	4,552	8,733	4,489	9,041	342,119	228,093
Cutlass Supreme	805	4,634	1,796	2,601	225,975	104,849
88 (fwd)	4,796	3,876	4,607	9,403	19,985	263,983
88 (rwd)	460	618	390	850	167,910	18,233
Olds 98	2,407	3,531	2,370	4,777	138,965	109,233
Toronado	627	258	361	988	28,761	17,798
Pontiac Total	19,438	18,008	15,173	34,611	685,296	759,892
Acadian**	0	273	612	612	16,419	15,717
Fiero	1,760	2,415	1,795	3,555	109,921	66,139
1000	576	853	612	1,188	34,436	20,306
Firebird	2,042	2,555	0	2,042	109,643	101,055
2000 Sunbird	2,235	2,983	789	3,024	137,232	125,465
Grand Am	6,175	4,072	4,879	11,054	136,286	220,845
6000	2,880	2,194	2,897	5,777	55,289	128,459
Bonneville	3,400	0	3,214	6,614	0	32,498
Safari/Parisienne	370	2,663	375	745	86,070	49,408
HONDA	6,650	3,379	6,716	13,366	139,305	224,981
Civic	1,710	0	1,614	3,324	0	18,511
Accord	4,940	3,379	5,102	10,042	139,305	206,470
NISSAN	2,920	2,015	2,915	5,835	40,746	59,002
NUMMI	4,200	1,900	3,980	8,180	56,239	187,849
Corolla	1,100	0	1,023	2,123	0	8,805
Nova	3,100	1,900	2,957	6,057	56,239	179,044
VOLKSWAGEN	2,000	2,377	0	2,000	92,314	79,469
Golf/GTI	1,750	2,377	0	1,750	92,314	78,848
Jetta	250	0	0	250	0	650
Total Cars, U.S.	179,965	182,611	156,114	336,099	7,886,509	7,466,004
Total Cars, Canada	25,659	26,733	23,386	96,366	1,063,108	1,021,928
N. American Cars	205,644	209,544	179,500	385,144	8,949,617	8,507,932
N. American Trucks	92,747	102,998	81,819	174,566	4,160,114	4,127,930
North American Cars and Trucks	298,391	312,542	261,319	559,710	13,109,731	12,635,862

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

FORECAST

FROM PAGE 1

for Data Resources Inc.

Ronald Glantz of Montgomery Securities added, "The first quarter will wind up being down 10 percent from 1986 because the industry will end the year with 1.8 million cars in inventory, a quarter of a million higher than desirable. Also, every forecast out of Detroit agrees sales will be lower in 1987."

Against that backdrop, says analyst Tom O'Grady of Integrated Automotive Resources, "You would hope good judgment would prevail and sales incentives would be introduced at the beginning of 1987. Incentives have given us two good years of sales and if the domestic makers are trying to compete with the Japanese on cost, and prices have gone down, we would expect they could afford incentives."

He added that since GM has raised prices three times in the last year because of the cost of incentives, GM might as well return to them since they have already been absorbed into the price of a car.

In their already-announced production plans for the first quarter of 1987, U.S. automakers estimated production to be slightly higher than the 1986 total. Forecasts call for 2,142,972 cars, 0.70 percent more than the 2,128,067 completed in the same period of this year.

Ford Motor Co. anticipates a 13.10 percent increase from 1986 — accounting for about 60,000 new units — and New United Motor Manufacturing Inc. plans to increase output by 7.69 percent, about 3,500 units.

Chrysler Motors is cutting production by about 70,000 units or 18.87 percent, basically due to its St. Louis (No. 2) plant being down for model changeover until March 27. The plant assembled the Fifth Avenue, Gran Fury and Diplomat and is retooling to build Caravan and Voyager minivans.

American Motors is scheduled to cut its output by 3,000 units or 24.32 percent.

Major increases in 1987 first quarter forecasts from actual 1986 figures were reported by: Honda of America Manufacturing Inc., up 94.59 percent or more than 40,000 units; Nissan Motor Manufacturing Co., U.S.A., up 74.89 percent or 16,000 units; and Volkswagen of America, up 28.48 percent or 6,000 units.

GM's adjustment of first quarter production comes on the heels of cuts in its fourth quarter output, which resulted in the temporary layoff of about 18,000 workers.

Analysts expect GM to open the new year with a days supply of at least 100 units. As of Dec. 1, GM had an 84 day supply of cars. And that figure was reduced by the effects of GM's Delco labor problems in late November, which curtailed production for almost a week. The ideal days supply for January is about 70.

Analyst Glantz predicted that 1987 calendar year production will total about 6,925,000, down 11.5 percent from the 1986 estimate of 7,823,000. O'Grady agreed that the first quarter would be lower than expected and said 1987 calendar year production would be about 400,000 units lower than the 1986 total.

ASC/Canada formed

MISSISSAUGA, Ontario — ASC/Canada Inc. has been formed to serve aftermarket and original-equiment customers north of the border. Nick Rehmtulla has been named general manager.

C2700-1
12/30/86

Automotive News

December 22, 1986

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UAW leaders attack GM in 1987 preview

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

BAL HARBOUR, Fla. — Job security, outsourcing and subcontracting — the pivotal issues in the 1987 auto negotiations — were burning topics as UAW leaders met here last week to elect subcouncil officers and top negotiators and to begin to discuss bargaining strategies.

The agony of General Motors manifested itself beneath the ritual conviviality of gatherings amid palm trees and Christmas wreaths. To the union's litany of woes, UAW Vice President Donald Ephlin announced to a general assembly that GM will close eight assembly plants for two weeks in January for inventory adjustment.

The latest layoffs will affect 24,300 workers.

GM sales have declined in the last four 10-day periods, and the company recently announced it will cut production in January at three of its newest plants, laying off 4,500 workers. GM said it is cutting production as an alternative to expensive sales incentives.

Sources at the UAW meeting here said Ephlin warned that the union's supplemental unemployment benefit funds were "not geared for massive layoffs and could come under severe strain."

Ephlin reportedly told the union leaders that component plants have worse problems than assembly plants. Though he gave no details, GM is apparently responding to analysts' urging that it needs to move toward less vertical integration.

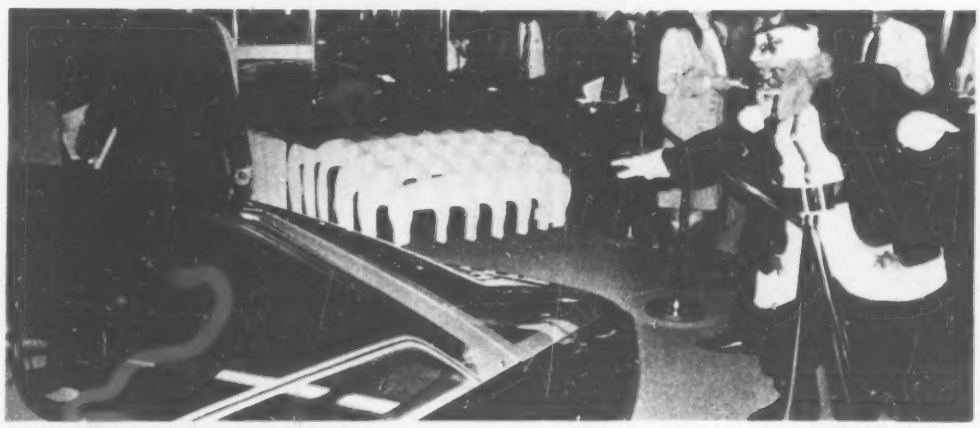
That move will result in subcontracting and outsourcing on a grand scale and represents a major threat to the jobs at component plants — which will suffer the ripple effects of assembly-plant layoffs as well.

Speaking for the beleaguered component plants, Wayne Krumm, shop committee chairman at Local 626 at GM's New Departure Hyatt Division plant in Bristol, Conn., said, "The layoffs at assembly plants will mushroom and affect component plants. It is the workers who are paying and will continue to pay for GM's engineering and styling mistakes."

He also referred to GM's decision to sell its commercial bearing operation at the Brtistol plant, which will cut the workforce in half.

Discussions at the Miami meetings were focused on the fate of Fisher Guide Division's Elyria, Ohio, plant. In a quintessential outsourcing move, GM announced it plans to sell the Elyria trim plant to a supplier "with a lower cost structure." Members of Local 780 in Elyria said that probably means a non-union facility. GM plans to buy back much of the plant's product at a lower cost.

see UAW, page 26



AUTOMOTIVE NEWS JOE WILSEENS

Ford welcomes jolly gentleman in red suit
To kick off the holiday season in the auto industry, Santa Claus attends the opening of Ford Motor Co.'s "World of Ford" product and technology display in Detroit's Renaissance Center. Ford said the 35,000-square-foot showplace was designed to entertain the public.

Fallout: *GM and EDS find it hard to escape aftermath of huge payment to Perot*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

General Motors and Electronic Data Systems made little apparent progress last week in quelling a contentious aftermath to H. Ross Perot's departure, while EDS revealed plans to combat the publicity with an advertising campaign.

The automaker and its data processing subsidiary had set out to ease the concerns of analysts and institutional investors, who will play a role in restoring confidence in GM common and Class E stocks.

But some who heard the presentations in New York and Washington walked away unconvinced. Even the guest list at one of the meetings created a stir when GM Chairman Roger Smith failed to appear and sent other officials in his place.

Meanwhile, GM's $750 million buyout of former EDS Chairman Perot and three top EDS executives triggered more lawsuits. EDS also said it was preparing an extensive advertising campaign to redirect public attention back to the computer services business.

As before, EDS stressed a "business as usual" theme, and GM staunchly defended the Dec. 1 dismissal of its board member, most vocal critic and largest shareholder. But many of the analysts and institutional holders said the presentations opened up as many questions as they answered.

Some analysts, for example, questioned EDS' optimistic growth projections at a time when GM, its largest customer, is cutting capital spending. Members of the investor group said the payment to Perot has the disturbing air of a special deal for one stockholder.

Last Friday, the Wisconsin Investment Board submitted a resolution to GM for inclusion in its proxy statement. The resolution condemned the buyout and requested that any future stock repurchases be offered to all shareholders. Friday was the filing deadline for measures that can be included in GM's proxy statement and voted on by shareholders at GM's 1987 annual meeting.

"I think it is outrageous that they would summarily decide (to buy out Perot) and not even present it to the shareholders for a vote," said Kenneth Codlin, executive director of the Wisconsin board. The Wisconsin pension fund holds 1.1 million shares of GM's Class E stock on behalf of 300,000 public employees.

Codlin was one of the members of the Council of Institutional Investors who attended Wednesday's meetings in Washington. Collectively, the 40 groups in the council own about 7 million shares of GM common and Class E stock. They had requested the meeting to satisfy their concerns about the buyout.

Initially, both Perot and Smith agreed to attend, said Steven Matthews, assistant controller for New York City and a spokesman for the council. But in Smith's place, four other executives attended - GM Executive Vice President Donald J. Atwood, GM Treasurer Leon J. Krain, GM General Counsel Elmer W. Johnson and EDS President Lester M. Alberthal Jr.

see FALLOUT, page 27

Testings by NHTSA too few, GAO finds

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — In response to a critical General Accounting Office report, NHTSA last week agreed to change the way it administers the nation's motor-vehicle safety laws.

The GAO study found flaws in the way NHTSA manages its testing and compliance program — specifically faulting NHTSA for not checking manufacturer compliance with 13 of 39 testable safety standards in at least five years and for not establishing "management controls" for the processing of safety investigations.

GAO recommended — and NHTSA and the Department of Transportation agreed to:

- Ensure that all testable safety standards are selected for testing over a certain period of time.
- Develop milestones and procedures for processing and monitoring investigation and civil penalty cases.
- Review the collection and use of accident data for selecting vehicles one year old or older for testing.

GAO also asked that NHTSA "develop guidelines for the Office of Vehicle Safety Compliance to use in determining which investigation cases should be forwarded to the chief counsel's office for penalty assessment."

DOT and NHTSA turned down that request. They said the decision to forward a case to the chief counsel's office "involves a complex set of factors and is fully

see NHTSA, page 27

Taiwan flying high with new car intro

By Andrew Tank
STAFF CORRESPONDENT

TAIPEI, Taiwan — Taiwan's auto industry is celebrating the successful launch of the first Taiwanese-designed car. But at the same time, it is cursing a government auto policy which, by encouraging imports, threatens the financial viability of local manufacturers.

Taiwan's biggest automaker, Yue Loong, launched its Feeling (Flying Antelope) X101 subcompact at the end of October after spending $55 million on its design and development.

Five thousand were sold in the first month, making it the most successful new model ever launched in Taiwan, according to Shiaw-Huu Wang, general manager of Yue Loong's business division. Wang hopes to sell at least 24,000 Feelings next year and hence recoup lost market share.

Yue Loong Feeling X101

The snag is that Taiwan's government is under strong pressure to lift protectionist barriers on imports, since it earned a current account surplus of around $14 billion in 1986. It is reducing tariffs on imported vehicles by 5 percent a year, so that by 1990 the local auto makers will have almost no tariff protection at all.

Already imports have increased their market share

see TAIWAN, page 30

VW-Ford firm may expand in Latin America

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Autolatina, the holding company formed recently by the Volkswagen and Ford operations in Brazil and Argentina, could extend its activities to Mexico and Venezuela.

Wolfgang Sauer, Autolatina president, and Wayne Booker, the firm's general manager, hinted at the possibility at a press conference, where they gave early indications of how the new company is developing.

Booker commented that, "The

see AUTOLATINA, page 30

NEWSPAPER

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After confusion, jury acquits DeLorean
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Ford: '87 industry can't match '86
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Safety not first with Reagan, Nader charges

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — In a letter to President Reagan, Ralph Nader has accused the President and Transportation Secretary Elizabeth H. Dole of failing to advance highway safety.

Nader accused Dole of a "steadfast refusal to press" automakers to produce cars with air bags and of failing to push safety research and education.

Nader

In the letter, Nader pointed to disproportionate spending to promote passive versus active systems. He said that only $1 million of the Transportation Department's fiscal 1986 budget is pegged for air bags or passive belts, and $4 million has been set aside for seat-belt education nationally. The states have budgeted $110 million, mostly for belt-use education, he said.

Nader said that DOT has not done any radio or television public service advertising for air bags either. Further, he scolded the Reagan administration for abandoning the Research Safety Vehicle program which Nader described as "not pie-in-the-sky."

At a news conference last week, Nader cited a survey of 15,475 new-car buyers, made by Newsweek magazine last February and March. It showed that 87 percent of those responding believed air bags should be standard equipment on all automobiles.

That is the highest percentage ever recorded in a survey of air-bag preference. And, it is 31 percentage points higher than the number of those who wanted a mandatory high-mounted rear brake light in the same survey.

Nader is also kicking off a "Celebrity Air Bag Pledge." Several notables have promised to buy an air-bag-equipped car from the first automaker that provides full front-seat air bags as standard equipment in a total model line.

The cars-for-stars safety campaign requires that previous-year sales for the model line be at least 200,000 or that the line have a production run of at least 200,000 in its first year.

Celebrities who have joined the campaign so far include: Steve Allen, Ed Asner, Dan Ackroyd, Phil Donahue, Dustin Hoffman, Bill Murray, Paul Newman and Abigail (Dear Abby) Van Buren. More are expected to join.

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61st year—No. 5159

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AUTOMOTIVE NEWS JOIE WILSSENS
Reporters and attorneys Howard Weitzman, left, and Juanita Brooks surround John DeLorean after his acquittal

Acquitted: *After confusion, jury says DeLorean did not embezzle money from investors*

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A federal jury last Wednesday acquitted former automaker John Z. DeLorean of all 15 fraud and racketeering counts stemming from charges that he embezzled $8.5 million from investors in his defunct sports-car project.

The 10-week trial began Oct. 6.

Following his acquittal, DeLorean appeared on the courthouse steps with two defense attorneys. All three blasted the government, again charging that prosecutors had hidden evidence, or even "fabricated" evidence, as part of a vendetta against DeLorean.

"What kind of animal would do that?" DeLorean said, questioning the morality of government prosecutors and agents.

The 61-year-old former General Motors executive said he felt "wonderful" and was anxious to spend the holidays with his children.

DeLorean also said he felt he could still contribute something to the U.S. car industry and help it "get competitive again."

The six-man, six-woman jury returned the verdict after deliberating 5½ days, despite apparent jury-room lack of agreement that DeLorean was innocent.

In fact, less than an hour after the verdict, government lawyers were back in front of presiding U.S. District Judge Julian A. Cook Jr., seeking to have the verdict overturned because jurors apparently misunderstood some of Cook's instructions to them.

On a special verdict form, the court reminded jurors that to convict on the racketeering charge, they all had to agree on which racketeering acts were committed. The form said, "Without such unanimous agreement, you must find the defendant not guilty of count one," which was the racketeering charge.

The jurors erroneously interpreted that sentence to mean that even if there were jurors who thought DeLorean was guilty, they had to change their vote to "not guilty" to coincide with the majority and avoid a hung jury. In a federal case, the vote of the jury must be unanimous for either conviction or acquittal.

So, the jury returned a "not guilty" verdict, although two jurors believed he was guilty and one was undecided.

However, assistant U.S. attorney Joseph E. Papelian, seemingly stunned by the verdict, did not ask the court to poll each juror individually, at the time of the verdict. Cook, therefore, refused to overturn the verdict and declare a mistrial.

If Papelian had requested a polling at the time of the verdict and even one juror had expressed dis-

see DELOREAN, page 29

Mullane quits DEAC post, blasts NADA

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Saying that the Dealer Election Action Committee was "acting as though its constituency was the manufacturers not the dealers," DEAC treasurer Ed Mullane resigned his post with the political fund-raising group effective immediately.

In a letter to William E. Hancock Jr., DEAC chairman, Mullane said he believed that the National Automobile Dealers Association was "calling the shots" in determining DEAC policy.

He added, "The straw that broke the camel's back as far as my continued participation is concerned was NADA's gutless effort on federal lease and fleet legislation and our abandonment of the Iowa dealers. We turned our back on them and left them twisting in the wind."

Hancock was unavailable for comment on the Mullane resignation last week.

However, NADA told Automotive News that Hancock has replied. NADA said that in a letter to Mullane, Hancock thanked him for his role in the development of DEAC and said that the fleet subsidy issue would continue to be worked on. Hancock also said he looked forward to working with Mullane again.

NADA had no comment on the issues raised by Mullane concerning NADA's relationship with DEAC.

Mullane, long a dealer activist, also is president of the Ford Dealers Alliance. He was a driving force in the futile effort last year to obtain federal legislation barring incentives to large fleets. That failure led to NADA's adoption of a second strategy of attempting to have similar legislation enacted on the state level.

Mullane: "I can't be a part of the hypocrisy."

The Iowa Automobile Dealers Association succeeded in having such a law passed in that state. It went into effect last July. The Iowa dealers are now seeking repeal of the law because of lost fleet business and because they did not see any other state dealer groups moving to support their initial effort by trying to obtain similar legislation.

Mullane, in his letter, said he could no longer support DEAC and that, "The only honorable course for me is to tender my resignation."

DEAC was founded 10 years ago to raise money for political candidates. Mullane was one of the original trustees of the organization and, according to Mullane, the organization raises more than $1 million every two years for candidates.

While the organization technically is independent of NADA, most of its board were NADA officers at one time. Hancock was president of NADA in 1975.

Mullane said that while he believes in strong political action on behalf of dealer interests, "with DEAC tied irretrievably to NADA, and NADA's willingness to be manipulated by the manufacturers," he did not see any action coming from DEAC.

In a telephone interview with Automotive News, Mullane said that when he joined DEAC, he thought "we'd be an independent arm," but it hasn't worked out that way.

"I can't be a part of the hypocrisy," he said.

Mullane was infuriated last year when NADA could not move through Congress national legislation banning fleet incentives.

He blamed the failure on NADA. He said the dealer association was afraid to oppose Rep. John Dingell, D-Mich., who chairs the House Energy and Commerce Committee.

Dingell refused to release the bill from his committee unless there were substantial amendments which, in effect, would have weakened the measure.

Mullane reported that NADA was negotiating with Dingell to amend the measure, and that angered some dealers.

In resigning from DEAC, Mullane said, "I have had insufficient influence trying to work from inside DEAC. Perhaps I shall be more effective in changing your (NADA's) policies working from the outside."

GM expects weak start for industry in '87 sales

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

U.S. car and truck sales will likely be weak in early 1987 because of this year's car-buying incentives and tax overhaul, General Motors' chief economist said last week.

Those two factors — which have helped perk up the market in recent months — will probably steal 300,000 to 400,000 sales from the first part of next year, said George C. Eads, GM vice president and chief economist.

Still, Eads predicted that combined car and truck sales for calendar 1987 will be strong — between 14.5 million and 16 million units, or 10 million to 11 million cars and 4.5 million to 5 million trucks. That compares with an estimated 16 million cars and trucks that will be sold by the end of this year.

"There will be no boom and no recession," said Eads, who gave his outlook on the automotive industry at the Economic Club of Detroit's annual forecast meeting. "I believe that the balance of factors favors continued expansion during the coming year."

Eads expects that two recent boons to the economy — consumer and government spending — will be less of a stimulus in 1987. But declines in those areas should be offset by an improved trade picture in 1987, he said.

While Eads predicted the falling dollar will help ease the U.S. trade deficit, he also foresees some potential problems. He cited the possibility that the federal budget deficit might not decline as scheduled and that the new tax law might have unexpected, harmful consequences. Nonetheless, he said he expects the economy to get stronger as the year progresses and to grow at an annual rate of 2.5 percent.

Similarly, he said, auto sales will strengthen later in the year because of the waning effects of 1986 incentives. Also, tax reform will pull some sales from early 1987 into 1986 but eventually won't have much of an impact on the market, Eads said. The new law eliminates deductions for sales tax and some interest payments.

Imported cars should account for about 3 million sales in 1987, Eads said. And they will continue to be a challenge for GM and other domestic automakers.

"We expect the years ahead to be ones of intensifying competition as direct imports, the so-called transplants and the newly slimmed-down domestic manufacturers scramble for profits and market share," Eads said.

Eads wouldn't predict how GM, whose share of the car market has dropped from about 42 percent to 40 percent so far this year, would fare in the battle.

Eads said GM's efforts to close older plants and cut its white-collar workforce are "absolutely necessary if we are to be able able to compete effectively in the years immediately ahead."

Eads, 44, joined GM in July. He formerly was dean of public affairs at the University of Maryland. During the Carter administration, he was a member of the President's Council of Economic Advisers.

Domestic sales rise 18% in early Dec.

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales in early December topped the year-ago total.

Retail sales of domestically produced automobiles rose 18.31 percent to 190,809 from the 161,279 cars delivered in the Dec. 1-10 period last year.

However, because there were nine selling days in the period this year and only eight in 1985, the industry's total was up only 5.16 percent on a daily-rate basis.

Despite the gain in early December, the industry's year-to-date sales total of 7,732,394 was off 0.97 percent from the 7,807,818 cars sold through Dec. 10 last year.

At least one executive, Tom Pappert, Chrysler Motors sales group vice president, said year-end buying to avoid tax law changes helped sales. "It's beginning to look a lot like Christmas," he said.

General Motors, steadfastly avoiding another round of annual-percentage-rate finance incentives, reported its sixth consecutive 10-day sales decline since the APR program ended in October.

GM's sales were off 1.0 percent during the period, down to 94,120 from 95,073 last year. However, on a daily-rate basis, GM's sales dropped 12.0 percent. Cadillac, Chevrolet and Pontiac sales totals were ahead of year-ago tallies, while Buick and Oldsmobile declined.

Ford Motor Co.'s Dec. 1-10 sales total rose 50.2 percent to 60,158 from 40,046 last year. The daily-rate increase was 33.5 percent.

Chrysler Motors reported 27,572 Dec. 1-10 sales, up 40.3 percent from 19,656 last year; with a daily-rate increase of 24.7 percent.

The company said the early-December total for Dodge was the highest for the first 10 days of any month.

Despite its zero APR program, American Motors' early-December sales were off 34.7 percent to 1,110 from 1,700 last year. Its daily rate plunged 42.0 percent.

American Honda posted the fattest year-to-year percentage gain for the period — 89.9 percent — as its sales of U.S.-built cars rose to 4,202 from 2,213; its daily rate was up 68.8 percent.

DOMESTIC SALES

	Dec. 1-10, 1986	Dec. 1-10, 1985
Renault		
Alliance-Encore	965†	1,400†
AMC	145†	300†
AMERICAN MOTORS	1,110	1,700
Chrysler	5,885	5,382
Plymouth	10,275	6,194
Dodge	11,412	7,580
CHRYSLER MOTORS	27,572	19,656
Ford	40,858	26,415
Mercury	12,475	8,978
Lincoln	6,825	4,653
FORD MOTOR CO.	60,158	40,046
Buick	15,361	17,331
Cadillac	7,645	7,144
Chevrolet	35,905	35,401
Oldsmobile	18,467	19,317
Pontiac	16,742	15,880
GENERAL MOTORS	94,120	95,073
VOLKSWAGEN	1,220	1,133
HONDA	4,202	2,213
NISSAN	2,006	1,458
TOYOTA	421	0
U.S. INDUSTRY TOTAL	190,809	161,279

†—Estimate

Nissan's sales total rose 37.6 percent to 2,006 from 1,458; up 22.3 percent on a daily-rate basis.

Sales of Volkswagen of America's domestic cars rose 7.7 percent to 1,220 from 1,133 last year, although the daily rate declined 4.2 percent.

Sales of the new Toyota Corolla FX-16 totaled 421 for Dec. 1-10. The car is built by New United Motor Manufacturing Inc., the Toyota-GM joint venture in Fremont, Calif. Sales began in October; the total is 3,523.

Pontiac seeks GM aid

City eyes housing project as plants die

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC — The city of Pontiac has asked General Motors to participate in a multimillion-dollar housing project to help counter the effects of planned plant closings and layoffs.

A GM spokesman said the company would review the proposal at an internal public affairs committee meeting in January.

GM has been involved in housing programs before, most notably the New Center Commons project near its Detroit headquarters.

GM plans to shut its Chevrolet-Pontiac-Canada G-car plant in Pontiac by the end of 1987, its Truck and Bus Group transit bus operations in the Pontiac Central Plant by late spring of 1987, and its heavy-duty truck operations in the same plant by August 1988. GM also plans to close its Central Foundry plant in Pontiac by the summer of 1987.

Almost 6,000 employees will be affected by the permanent plant closings, according to GM spokesmen. Some affected employees may be relocated. GM will continue to employ some 32,000 workers in the city after the layoffs.

Also, some 3,200 workers at the C-P-C G-car plant and the Fiero assembly plant will be laid off for two weeks at the beginning of 1987 to reduce inventories.

The Pontiac spokesman said the layoffs and closings will cost the city $600,000 annually in city income taxes.

Pontiac Mayor Walter Moore presented the housing proposal to GM's public affairs committee here early this month. The proposal calls for up to 30 percent, or 6,000, of the city's houses to be razed and replaced with new housing. A spokesman estimated that 6,000 houses in the city are in poor condition.

The mayor said, "We see the need for the GM name to continue to be a flagship in the community even if the manufacturing segment of the company is not flourishing."

Demolished houses would be replaced by new houses in the $35,000 and $75,000-$150,000 range.

In addition, Moore said he would like to discuss with GM a means of disposing of the plants GM will close. Alternatives, he said, are identifying manufacturers to take over the plants, turning them over to the city or demolishing them.

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Ford says '87 industry can't match '86

In a year-end statement, Ford Motor Co. Chairman Donald E. Petersen and President Harold A. Poling predicted that new-car and truck sales in the United States in 1987 will continue at a strong pace, but will be off slightly from the record total of 1986.

They also said the company's strong financial performance this year means that eligible U.S. employees will get substantially higher profit-sharing payments than the $1,200 average paid for 1985.

They said Ford earnings of $2.5 billion for the first three quarters of 1986 set a record and they expected the company to finish the year in a very good financial state.

Petersen and Poling said, "This year has been very successful for the Ford team in the United States, and we believe that 1987 will be another good year for the U.S. automotive industry."

They predicted 1987 U.S. sales of 10.5 million cars and 4.5 million trucks — a total of 15 million, down a bit from the record 16 million this year and 15.7 million in 1985.

Petersen and Poling said, "Automotive sales outperformed the nation's economy in 1986 because of relatively low gasoline prices, declining interest rates and marketing incentive factors which are unlikely to have as great an impact in 1987. Moreover, we expect the Gross National Product to increase by a modest 2.3 percent in 1987, somewhat less than the GNP growth of 2.6 percent this year."

They said their 1987 sales prediction would amount to the third-highest sales volume ever. If the economy performs somewhat better than expected, they said, 1987 sales volume could approach 1985's performance.

Petersen and Poling said, "Despite increasing competition from foreign automakers, including those which are expanding their U.S.-based production capacity, we believe our excellent product lineup places Ford in a good position to more than hold its own."

They added, "With our well-balanced product array and added offerings in 1987, we expect to increase our U.S. market share — which for 1986 we project at 18 percent for cars and 28.4 percent for trucks."

For 1987, Ford has introduced a redesigned Ford Thunderbird and Mustang and Mercury Cougar and

Petersen: "Automotive sales outperformed the nation's economy in 1986 because of relatively low gasoline prices, declining interest rates and marketing incentive factors which are unlikely to have as great an impact in 1987."

rear anti-lock brakes on F-Series, Bronco and Bronco II light trucks. It soon will offer an all-wheel-drive option for Ford Tempo and Mercury Topaz.

Scheduled later in the model year are the U.S. introduction of the foreign-built Mercury Tracer subcompact, Ford Festiva minicar and Merkur Scorpio luxury sedan.

Petersen and Poling said Ford will work toward a new labor contract with the UAW in 1987 "that is fair and equitable to all members of the Ford team, while improving the competitiveness that will be essential in the years ahead. At the same time, we must continuously improve the quality, safety and value of our products and improve our customer satisfaction and loyalty."

As a reflection of Ford's new-product plans and efforts to improve quality and productivity, the executives said capital spending was about $3.7 billion in 1986 and should continue at about that same level in 1987.

Petersen and Poling said, "We believe that this system, called the Worldwide Engineering Releasing System, will be an automotive industry first in terms of size and capability. When fully launched, WERS will provide 20,000 users with interactive access to a common data base of engineering specifications and will further enhance Ford's capability to execute world-car programs."

Ford has begun several new projects with a number of worldwide partners, the Ford executives said.

Those projects include Ford's joint venture with IVECO in Europe; a project with Mazda at Hermosillo, Mexico; involvement with Kia of Korea; the worldwide Ford New Holland restructuring; and its joint venture with Volkswagen in South America.

OBITUARIES

John D. DeButts

UPPERVILLE, Va. — John D. DeButts, 71, who was a member of the General Motors board of directors from 1976 to 1985, died Dec. 17. Mr. DeButts was a former chairman and chief executive of American Telephone and Telegraph Co.

Carl Allen Reinemund

CHANDLER, Ariz. — Carl Allen Reinemund, 72, a past president of the Arizona Automobile Dealers Association and former owner of Carl Reinemund Chevrolet, Safford, Ariz., died Dec. 6.

Harold L. Prince Sr.

ABBEVILLE, S.C. — Harold L. Prince Sr., a Ford dealer here for the past 54 years, died recently. Mr. Prince had operated Prince Motor Co.

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November sales dip; year shows gain

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck sales in November totaled 359,191, down 6.2 percent from last year, according to figures compiled from reports by individual manufacturers and the Motor Vehicle Manufacturers Association.

For 11 months of 1986, sales of 4,426,917 trucks led last year's by 3.1 percent.

Class 8 sales of 103,236 were off 14.1 percent for the 11-month period.

However, Class 7, which has been siphoning customers from the industry's heaviest-duty segment, showed a 3.1 percent increase for the period on sales of 90,893 vehicles.

Class 6 sales of 40,299 were off 7.9 percent during the 11-month period, while Class 5 sales of 5,292 were up 5.5 percent.

No sales of Class 4 vehicles were reported.

As previously reported, the Class 1-3 light-duty sales of 4,187,197 for 11 months were up 3.7 percent over a year earlier.

Among the gainers in the heavy-truck segment in November, Mack sales of 1,835 were up 12.6 percent over the 1985 total. Kenworth turned in a robust performance for the month with sales of 929, up 16.1 percent over last year. Volvo's sales of 1,044 were up modestly over 1,017 a year earlier.

Other heavy-duty manufacturers, including Ford, Freightliner, GMC, Navistar and Peterbilt, showed declines in November. For 11 months, all heavy-truck manufacturers were down from last year's totals.

November Truck Sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1986	TOTAL 1985
CHRYSLER	MO	52,368					52,368	37,097
	YR	530,975					530,975	560,457
JEEP	MO	18,073					18,073	22,834
	YR	186,165					186,165	160,746
TOYOTA	MO	29,965					29,965	26,510
	YR	348,992					348,992	297,046
NISSAN	MO	15,425					15,425	13,749
	YR	203,176					203,176	240,051
MAZDA	MO	11,084					11,084	8,690
	YR	142,385					142,385	105,339
ISUZU	MO	7,657					7,657	5,564
	YR	79,371					79,371	70,172
MITSUBISHI	MO	4,533					4,533	3,022
	YR	31,213					31,213	24,833
SUZUKI	MO	4,208					4,208	1,039
	YR	40,937					40,937	1,039
FORD	MO	83,815		1,068	2,498	1,082	88,483	108,127
	YR	1,208,096		10,959	28,175	11,520	1,258,750	1,174,067
FREIGHTLINER	MO					1,359	1,359	1,373
	YR					15,750	15,750	16,181
CHEVROLET	MO	73,017	24	437	666	32	74,176	96,712
	YR	1,135,435	290	7,001	8,876	496	1,152,098	1,193,547
GMC	MO	18,275	643	354	857	437	20,566	24,901
	YR	280,452	4,852	6,438	18,014	6,661	316,417	323,803
KENWORTH	MO					929	929	800
	YR					9,394	9,394	10,172
MACK	MO			225	216	1,394	1,835	1,630
	YR			2,307	2,335	15,313	19,955	25,882
MERCEDES	MO			146	205		351	349
	YR			1,892	1,616		3,508	3,794
NAVISTAR	MO			667	1,601	1,439	3,707	4,852
	YR			11,326	29,696	24,025	65,047	65,912
PETERBILT	MO					821	821	840
	YR					8,993	8,993	10,643
VOLVO	MO				109	935	1,044	1,017
	YR				1,278	10,148	11,426	11,655
HINO	MO			51	51		102	0
	YR			298	551		849	0
NISSAN DIESEL	MO		31	20	49		100	0
	YR		150	60	352		562	0
OTHER DOMESTICS	MO			2		61	63	85
	YR			18		936	954	932
GRAND TOTAL	MO	318,420	698	2,990	6,252	8,489	336,849	359,191
	YR	4,187,197	5,292	40,299	90,893	103,236	4,426,917	4,296,271
1985 YR to DATE		4,039,101	5,018	43,754	88,155	120,243		

Class 1-3 sales data reported by individual manufacturers; Class 5-8 data reported by Motor Vehicle Manufacturers Association. There were no reported Class 4 sales.

Iveco Euro and EuroTurbo models feature a new look

Iveco: *Sales gain expected from new programs*

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Iveco Trucks of North America is optimistically targeting 3,600 sales for calendar 1987, up from 3,000 in 1986. The company bases the forecast on upgraded new models, broader market coverage, and aggressive marketing programs.

The importer has felt the pressure of new Japanese competitors in its medium-segment markets and has reduced the wholesale prices of its 1987 models by an average 3 percent, according to William E. Eichner, vice president of dealer sales. The new models went on sale Dec. 3.

Eichner said the price cuts were made without considering equipment changes on the new models. Iveco does not have suggested retail prices for its trucks.

For 1987, the company has changed the designation of its trucks from the "Z range," which includes models like the Z-110 and Z-120, to the Euro 110, 120 and so forth.

Eichner said the new designation stresses Iveco's European heritage and its positioning as a premium product with premium pricing.

Iveco has increased its market coverage by certifying its heavier 335 turbo and 435 turbo in California for the first time.

Iveco's products run from the Class 2 to the light end of Class 6 segment, though Eichner said Class 3 accounts for "by far" its greatest volume.

With the arrival of competitors like Isuzu, Hino and Nissan Diesel, Iveco has begun to feel the heat of what it identified as the "phantom" customer class when it entered the U.S. market 10 years ago. That class is comprised of wholesale and retail distributors.

The influx of Japanese vehicles made "a greater initial impact than we anticipated," said Luciano Rolando, chairman and president of Iveco Trucks of North America.

Iveco's calendar 1986 sales, for example, are projected to be at least 200 units below last year's.

"In retrospect, we might have countered more aggressively (Japanese) claims that their lower-priced trucks offer the same quality and value as Iveco's," Rolando added.

The Japanese also were able to lure some of Iveco's dealers away.

Rolando said that while the U.S. market continued to expand in 1986, it didn't grow fast enough for Iveco to be successful in the "premium-product" position it held.

However, the Italian importer has begun dealer-network evaluation, he added, strengthening its ties with dealers who have demonstrated a commitment to its products. It is also refranchising dealers in other key markets.

Officials said they feel that, based on their new products, pricing and marketing programs, they can regain their momentum.

They said they feel that tax changes will help spur the growth of smaller businesses, particularly service businesses, which are its key markets.

To observe its 10th anniversary in the United States, the company is offering a limited edition of 50 "Silver Series" trucks, available with a special exterior package.

New for '87

Iveco restyled its 1987 models, upgraded their mechanical components and improved their fuel economy.

Exteriors feature gray, polyurethane finish on the grill, bumper, fender flare, step and splash guard.

Corner air foils of PVC protect cab sides and windows. Side mirrors were restyled and side marker lamps relocated to improve visibility.

Cab headroom increased by three inches. Contoured eight-way adjustable drivers' seats, storage pockets and adjustable map lights were added.

Dashboards have easier-to-read instruments, a standard new direct-drive tachometer and upgraded indicator warning light panel.

Printed circuits and plug-in, blade-type fuses improve the serviceability of the dash.

The 8060 engine has a larger bore and stroke and 358-cid rating. It has modified piston swirl chambers and a lighter weight, durable crankshaft.

An improved cold-weather starting system automatically senses ambient temperature for improving startability.

Iveco Euro 220's have fully-synchronized forward gear transmissions. Shifting has been improved on other models.

Iveco EuroTurbo 340 and 450 models have a heavier, hypoid-design axle, produced jointly by Iveco and Rockwell.

Brakes on the Euro 110, 120 and 220 were improved and front disc brakes standardized on the EuroTurbo 230.

The Euro 110 features a larger-bore master brake cylinder. Brake linings for the Euro 110 and 120 models were improved.

Iveco strengthened the front stabilizer bar on its Euro 110. Frame ratings for all models went to 61,166 pounds per square inch.

TRUCK INDUSTRY

OCTOBER TRUCK REGISTRATIONS

		6000 & LESS GVW GRP 1	6,001-10,000 GVW GRP 2	10,001-14,000 GVW GRP 3	14,001-16,000 GVW GRP 4	16,001-19,500 GVW GRP 5	19,501-26,000 GVW GRP 6	26,001-33,000 GVW GRP 7	33,001- & OVER GVW GRP 8	TOTAL 1986	TOTAL 1985
DODGE	MO	27,060	13,535							40,595	40,099
	YR	247,388	127,882							375,270	426,736
*DAKOTA, RAIDER, CARAVAN, RAM VAN/CHARGER/50/W/GN	MO	23,435	7,024							30,459	27,575
	YR	210,082	77,923							288,005	257,197
PLYMOUTH VOYAGER	MO	6,935								6,935	6,605
	YR	87,800								87,800	87,004
TOTAL CHRYSLER CORP.	MO	33,995	13,535							47,530	48,705
	YR	335,188	127,882							463,070	513,742
FORD	MO	68,297	45,204	1			980	2,057	795	117,334	101,246
	YR	899,176	407,829	3			9,024	24,945	9,043	1,140,020	1,025,931
*VAN, BRONCO, RANGER & AEROSTAR	MO	47,188	11,438							58,626	52,339
	YR	509,904	123,193							633,097	502,577
FREIGHTLINER	MO								1,268	1,268	1,300
	YR								13,782	13,782	15,156
MERCEDES-BENZ	MO						192	164		356	340
	YR						1,650	1,247		2,897	3,689
TOTAL DAIMLER-BENZ CORP.	MO						192	164	1,268	1,624	1,640
	YR						1,650	1,247	13,782	16,679	18,845
CHEVROLET	MO	59,181	43,151	2,354	65	35	663	759	27	106,235	114,235
	YR	618,032	414,572	23,503	351	249	6,060	8,625	384	1,071,796	1,046,464
*VAN, EL CAMINO, S10 BLAZER & ASTRO	MO	43,132	16,407							59,539	68,131
	YR	472,651	153,613							626,264	586,558
GMC	MO	13,295	12,805	212	20	593	866	1,041	357	28,989	31,869
	YR	140,006	116,258	2,302	197	3,596	5,267	15,713	5,915	289,254	291,009
*VAN, JIMMY, S15, CABALLERO & SAFARI	MO	9,381	4,579							13,960	15,726
	YR	103,420	38,708							142,128	134,750
TOTAL GM CORP.	MO	72,476	55,956	2,566	85	628	1,329	1,800	384	135,224	146,134
	YR	756,038	530,830	25,805	548	3,845	11,347	24,338	6,299	1,361,050	1,337,473
INTERNATIONAL	MO						1,641	1,954	2,237	5,832	7,210
	YR						16,920	17,729	21,294	55,943	60,468
JEEP TRUCK	MO	18,060	1,706							19,766	17,654
	YR	142,924	13,441							156,365	137,594
*WRANGLER/CJ's, CHEROKEE, WAGONEER & SCRAMBLER	MO	14,414	1,589							16,003	15,709
	YR	116,750	12,188							128,938	133,727
MACK	MO						202	196	1,195	1,593	1,836
	YR						1,948	1,931	13,902	17,781	24,438
KENWORTH	MO								1,071	1,071	1,063
	YR								8,906	8,906	9,505
PETERBILT	MO								827	827	937
	YR								8,185	8,185	10,151
TOTAL PACCAR CORP.	MO								1,898	1,898	2,000
	YR								17,093	17,093	19,656
AUTOCAR	MO								94	94	151
	YR								1,400	1,400	1,453
VOLVO	MO							156	75	231	186
	YR							1,093	872	1,965	1,954
WHITE	MO								520	520	689
	YR								5,933	5,933	7,096
TOTAL VOLVO WHITE CORP.	MO							156	689	845	1,026
	YR							1,093	8,205	9,298	10,503
WESTERN STAR	MO								24	24	83
	YR								728	728	952
MISCELLANEOUS DOMESTIC	MO		196					11	129	336	390
	YR		2,584					92	1,767	4,543	4,811
OTHER IMPORTS	MO	81,327	682	487	54	30	28	85	15	82,708	75,964
	YR	774,473	8,131	4,785	627	263	263	657	53	789,252	733,176
GRAND TOTAL	MO	274,155	117,279	3,054	139	658	4,372	6,425	8,632	414,714	403,788
	YR	2,699,799	1,090,797	30,593	1,175	4,108	41,152	72,032	92,166	4,031,822	3,867,589
1985 YR. TO DATE		2,509,883	1,113,755	31,116	760	5,454	48,103	64,844	113,674		

*—INCLUDES MULTIPURPOSE VEHICLES.
Compiled from offical State Records by R.L. Polk & Co. Manufacturers' sales records are used in compiling Oklahoma for 1985 and 1986.
Registrations for Massachusetts are temporarily delayed.

3 Freightliner executives to buy Consolidated Metco subsidiary

PORTLAND, Ore. — Freightliner Corp. has signed a letter of intent for the sale of its wholly owned Consolidated Metco Inc. subsidiary to a management group of three Freightliner officers. The parties expect to close the transaction in the first quarter of 1987.

Independent of Freightliner, Metco developed into a well-regarded supplier of diversified products such as aluminum castings, diesel engine parts and various structural foam products for various industries.

Metco has plants in Portland and Clackamas, Ore., and Monroe and Cashiers, N.C. It has 450 employees, and more than 50 percent of its sales are to customers other than Freightliner.

When Daimler-Benz AG, of West Germany, acquired Freightliner in 1981, Metco was part of the package. Since then, Freightliner has been focusing its attentions more narrowly on selling Class 8 trucks to the North American market.

Consolidated Metco, as a peripheral operation, no longer fits into its long-range plans. Peter E. Rupp, Freightliner president and chief executive officer, said he was pleased that new ownership would ensure continuity for Metco's business.

He said he expected that Metco, based on the experience of its new owners, would be able to continue developing markets for its diversified products.

Rupp added that Freightliner has invested nearly $100 million during the past five years in upgrading its truck manufacturing operations.

It also has invested heavily in research and development for future products, he said.

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Computers help Ford's Kentucky plant

NEW YORK — A Ford Motor Co. official said that the company's advanced computer-integrated system for manufacturing heavy truck frame rails has significantly improved the quality and productivity of its Kentucky truck plant.

Morgan M. Whitney, director of Ford's Robotics and Automation Applications Consulting Center, discussed the progress at the IMEX '86 Manufacturing Technology Conference.

He said that since the plant's computer-integrated frame piercing system began operating in the 1985 model year, scrap rates and raw material inventory at the plant have been greatly reduced and design errors have been virtually eliminated.

More than 65 people who formerly performed heavy, manual-labor jobs traditionally required in frame drilling have been reassigned to other areas, he added.

To date, the $16 million computer-integrated system has produced more than 60,000 frames.

The Kentucky truck plant produces about 60,000 heavy trucks annually, and most are custom-built. Up to 250 holes are pierced into each truck frame. Frame rails vary from 14 to 40 feet in length and from 9.5 to 13.5 inches in depth.

Ford's efforts in improving the efficiency of its Kentucky truck plant, along with its aggressive marketing/advertising programs, undercut recurring industry rumors that it may follow General Motors in bailing out of the heavy-truck business.

EPA to query Congress on vapor recovery issue

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The fate of an EPA proposal that would require special fuel vapor recovery equipment on motor vehicles is very much up in the air, according to Craig Potter, EPA's assistant administrator for air and radiation.

Potter told a meeting of state environmental commissioners here that the agency will seek guidance from Congress next year on how best to enforce ozone standards required by the Clean Air Act.

Vapor recovery equipment on automobiles is only one of the ozone options confronting EPA, and it is the one automakers oppose most vigorously.

Ozone is formed by a complicated chemical reaction of nitrogen oxide and hydrocarbons emitted primarily by vehicles. Ozone is known to cause respiratory problems. When filtered by sunlight, ozone creates smog.

Enforcement options under consideration by the agency include fuel vapor recovery devices on either vehicles or gasoline pumps, expanded inspection and maintenance programs for motor vehicles and restrictions on vehicle operation.

Another plan is to reduce the volatility of gasoline blends. According to Potter, most vehicles are designed to run on gasoline less volatile than that generally marketed. He said there is evidence that volatility controls could lessen the amount of gasoline vapor that escapes during refueling, thus reducing the need for vapor recovery equipment.

But a larger issue is looming, Potter told his audience. None of these steps will bring states with severe nonattainment problems into compliance with the congressionally mandated ozone control standards by the end of next year.

"At this point there is no way we will meet the deadline" of Dec. 31, 1987 required by Congress "even with the most draconian measures we can imagine," he said.

"I don't think Congress ever contemplated the situation we are in now. It's very troubling," he said. EPA estimates that 73 of the nation's largest metropolitan areas exceed the standard.

State officials at the meeting said they were concerned by the agency's lack of an enforcement strategy because without federal enforcement, states will have to implement their own policies or face sanctions required by the federal law.

EPA may cancel offending states' federal highway money and may restrict construction of polluting facilities.

Further complicating the ozone control struggle are recent court challenges to EPA's Reasonable Extra Efforts Program (REEP). It allows states to avoid sanctions by convincing EPA they are making progress in meeting pollution control standards.

Saying the program may be in trouble with the judiciary, EPA General Counsel Francis S. Blake prepared a 27-page memo on the situation for EPA Administrator Lee M. Thomas. The memo was released earlier this month.

Blake told Thomas the program, "while defensible, presents major legal problems, and the risk of an adverse court action is significant."

If EPA does seek formal guidance from Congress on ozone control methods, House Energy and Commerce Committee Chairman John Dingell, D-Mich., is sure to have input.

In response to a letter Dingell sent EPA early last month, Thomas replied that "a strict reading of the (Clean Air) Act could lead to massively disruptive measures. In some areas of the country, it is not even clear that attainment is possible in any realistic sense in the short term."

Thomas continued, "On its face, it seems clear that in areas with the most intractable nonattainment problems . . . extremely disruptive measures, with enormous adverse social and economic impacts, would be necessary to bring about attainment."

AUCTION DATES

American Motors

Dec. 23 — D-A Auto Auction, New Stanton, Pa.

Dec. 30 — Minneapolis Auto Auction, Plymouth, Minn., and Aptco Auto Auction, Taylor, Mich.

Chrysler Corp.

Dec. 23 — Hatfield Auto Auction, Hatfield, Pa.

Ford Motor Co.

Jan. 6 — Indianapolis Auto Auction, Indianapolis

Jan. 7 — Northway Auto Auction, Clifton Park, N.Y.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Jan. 8 — Nashville Auto Auction, Nashville, and Skyline Auto Exchange, Fairfield, N.J.

Jan. 13 — Harrisonburg Auto Auction, Harrisonburg, Va.

General Motors

Jan. 6 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and 166 Auto Auction, Springfield, Mo.

Used Car Sales
Auction Averages

December to date	$5,146
Month ago	$5,175
Year ago	$4,595

Model Breakdown
Auction Averages

	DEC 1986	NOV 1986	OCT 1986
1986	$11,181	$11,299	$11,574
1985	$8,177	$8,286	$8,414
1984	$6,148	$6,186	$6,215
1983	$5,394	$5,420	$5,442
1982	$4,155	$4,190	$4,216
1981	$3,190	$3,244	$3,277
1980	$2,359	$2,387	$2,424
1979	$2,048	$2,069	$2,086
Overall Average	$5,146	$5,181	$5,196

Jan. 7 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Gray-market importer fined in Houston

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — As part of a federal crackdown on illegal gray-market vehicles brought into the Houston area, a U.S. District Court judge has ordered an importer of Mercedes-Benz cars to pay a $24,000 fine and undergo six months of restricted movement.

The sentence was imposed on Dennis Ray Alston, president of DRA Construction Co., Houston.

A former employee of the firm, Phillip Anthony Williams, also of Houston, has been sentenced to three years probation and 80 hours of community service.

The convictions of the two men are the latest in a string of gray-market fraud cases prosecuted by the U.S. Justice Department. Both men pleaded guilty to violating EPA rules for nonconforming motor vehicles.

A third co-defendant in the case, Norbert E. Gall, a West German citizen and former resident of Houston, did not appear for the hearing where he was to be sentenced for felony conspiracy and a number of felony customs violations.

Gall has been declared a fugitive by the U.S. Attorney's Office. His bail has been revoked and a bench warrant has been issued for his arrest.

Alston's fine includes the payment of approximately $3,800 to purchasers of several of the autos for expenses they incurred as a result of the fraud. Alston pleaded guilty to one count of felony conspiracy and 10 violations of the Clean Air Act.

Williams was convicted on one felony conspiracy charge and three counts of smuggling.

The Houston gray-market cases have focused on the importation of nonconforming autos under an exemption to EPA emission requirements for vehicles more than five years old. Ten vehicles imported under the exemption by Alston's company did not qualify, the Justice Department said.

Earlier this year, the Justice Department obtained two other convictions for gray-market violations in the Houston area. In another case, a plea of guilty was entered by Edward F. Wiatt on Nov. 12. Wiatt is former co-owner of Grand Prix Motors in Houston and is scheduled for sentencing on six counts of violating the Clean Air Act by submitting false documents to EPA.

The cases involve the importation of nonconforming Mercedes-Benzes for resale in the United States. Assistant U.S. Attorney Nancy L. Holley said the Justice Department's investigation is ongoing.

EPA regulations allow a waiver of U.S. emission standards for imported motor vehicles only if importation is done on a one-time basis for personal use, if the vehicle is not resold for at least two years from the date of importation and if the vehicle is owned by the importer prior to importation.

EPA regulations do not allow commercial enterprises to arrange for the purchase of the vehicle, and the importer must be an individual, not a business.

The exemption was approved by the agency for use by U.S. government personnel serving overseas, although other U.S. citizens may import cars. The EPA exemption does not eliminate Department of Transportation safety modification requirements.

AUCTION DIRECTORY

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PRODUCTION

U.S. CAR	Week Ended Dec. 20, 1986	Week Ended Dec. 21, 1985	Week Ended Dec. 13, 1986	Dec. to Date	Jan. 1 to Dec. 21, 1985	Jan. 1 to Dec. 20, 1986
AMERICAN MOTORS	0	2,631	1,492	1,492	109,082	48,336
Renault Total	0	2,631	1,492	1,492	109,082	48,336
Alliance	0	2,232	1,492	1,492	72,443	44,989
Encore	0	399	0	0	36,639	3,347
CHRYSLER MOTORS	23,800	25,031	26,214	75,865	1,243,051	1,275,880
Plymouth Total	8,600	8,411	9,853	28,562	362,941	414,189
Horizon	3,300	3,247	3,923	11,159	140,441	168,845
Sundance	2,000	0	2,300	6,747	0	35,394
Reliant	2,500	3,579	2,783	8,161	159,437	148,716
Caravelle	800	1,245	947	2,495	48,169	43,548
Gran Fury	0	340	0	0	14,894	17,586
Chrysler Total	5,100	7,965	5,122	14,830	403,143	363,673
Laser	0	1,039	0	0	50,972	26,978
LeBaron	1,200	2,510	1,210	4,435	94,670	83,044
LeBaron J Coupe	1,300	0	1,099	2,399	0	2,399
LeBaron GTS	1,000	0	1,192	3,241	93,032	62,068
New Yorker/E-Class	1,600	1,251	1,621	4,755	63,277	71,785
Fifth Avenue	0	3,065	0	0	104,192	117,399
Dodge Total	10,100	8,655	11,239	32,473	472,957	498,018
Daytona	600	1,084	687	1,892	46,754	32,712
Omni	3,100	2,949	3,648	10,396	134,803	160,538
Shadow	1,900	0	2,082	6,196	0	33,960
Aries	2,700	2,606	2,818	8,246	133,087	124,245
Dodge 600	1,100	1,698	1,084	3,332	65,253	63,285
Lancer	700	0	920	2,411	63,820	47,195
Diplomat	0	318	0	0	30,250	36,063
FORD MOTOR	44,145	32,532	43,464	128,018	1,605,595	1,729,089
Ford Division	30,941	22,142	30,420	89,481	1,076,410	1,197,890
Escort	9,389	7,542	7,790	23,938	338,382	370,957
EXP	0	0	0	0	3,838	0
Mustang	4,541	4,115	4,288	13,108	181,978	175,886
Tempo	5,420	4,297	4,522	15,033	185,649	194,530
LTD	0	0	0	0	180,724	0
Taurus	9,361	2,293	11,383	30,172	12,075	326,471
Thunderbird	2,230	3,895	2,437	7,230	166,642	130,046
Crown Victoria	0	0	0	0	7,122	0
L-M Division	13,204	10,390	13,044	38,537	529,185	531,199
Mercury Total	9,134	6,700	8,994	25,700	369,000	352,237
Lynx	1,452	1,745	1,205	3,916	73,877	59,419
Capri	0	475	0	0	19,765	12,344
Topaz	979	1,101	973	3,223	53,626	56,455
Cougar	3,341	1,975	3,410	8,991	127,836	99,914
Marquis	0	0	0	0	83,481	0
Sable	3,362	1,404	3,406	9,570	5,682	124,105
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,070	3,690	4,050	12,837	160,185	178,962
Continental	405	510	404	1,284	24,862	19,218
Lincoln	3,054	2,768	3,039	9,630	117,619	134,228
Mark VII	611	412	607	1,923	17,704	25,516
GENERAL MOTORS	95,711	95,671	95,334	267,288	4,754,916	4,047,314
Buick Total	18,810	15,876	18,101	52,124	983,450	759,616
Skyhawk	1,860	2,199	1,770	3,630	109,298	80,343
Century	5,527	6,298	5,660	16,924	292,500	227,142
Regal	1,631	2,863	1,681	5,123	133,740	59,179
Skylark (X-car)	1,467	0	1,490	2,957	43,477	2,957
Somerset/Skylark	1,468	2,727	1,497	5,244	115,337	107,423
LeSabre (fwd)	3,818	1,257	2,971	9,518	9,770	152,864
LeSabre/Electra (rwd)	355	247	367	1,059	96,066	14,846
Electra (fwd)	1,801	2	1,798	5,404	135,395	89,181
Riviera	883	263	867	2,265	47,867	25,681
Cadillac Total	7,873	4,912	8,280	23,503	319,758	313,236
Cimarron	400	467	497	1,135	26,265	22,910
Allante	28	0	32	60	0	60
Cadillac (rwd)	1,560	126	1,574	4,535	39,447	74,523
DeVille (fwd)	4,235	3,740	4,584	13,585	172,381	168,761
Eldorado	631	341	940	2,135	53,140	24,760
Seville	1,019	238	653	2,053	28,525	22,222
Chevrolet Total	31,955	34,145	31,293	85,326	1,601,221	1,283,491
Chevette	2,740	2,692	2,820	8,239	152,208	104,649
Camaro	3,400	4,904	3,363	6,783	210,428	169,184
Cavalier	9,595	9,358	9,461	21,928	482,862	385,735
Celebrity	6,225	5,015	5,558	18,108	260,708	255,199
Citation	0	0	0	0	28,699	0
Corsica/Beretta	2,609	0	2,626	6,923	0	15,089
Monte Carlo	1,576	2,870	1,471	5,533	135,935	107,587
Chevrolet	5,170	8,327	5,323	15,870	282,796	218,335
Corvette	640	979	651	1,942	45,454	27,713
Oldsmobile Total	17,658	23,318	17,191	51,278	1,150,328	910,633
Firenza	850	1,302	835	1,685	61,165	37,485
Calais	3,150	3,420	3,237	8,803	147,462	117,839
Cutlass Ciera	4,556	7,295	4,598	13,643	349,221	232,685
Cutlass Supreme	813	4,711	822	3,431	230,615	105,679
88 (fwd)	4,739	3,508	4,410	13,756	23,449	268,336
88 (rwd)	480	1,034	374	1,244	168,594	18,527
Olds 98	2,439	1,813	2,280	7,089	140,767	111,545
Toronado	631	235	635	1,627	29,055	18,437
Pontiac Total	19,415	17,420	20,469	55,057	700,159	780,338
Acadian**	0	296	555	1,167	16,692	16,272
Fiero	1,760	2,408	1,748	5,303	112,139	67,887
1000	588	913	555	1,755	34,949	20,873
Firebird	2,050	2,531	2,050	4,100	111,950	103,113
2000 Sunbird	2,235	2,234	2,343	5,367	139,072	127,808
Grand Am	6,175	4,161	6,307	17,361	139,928	227,152
6000	2,832	2,207	2,865	8,594	57,020	131,276
Bonneville	3,400	0	3,673	10,287	0	36,171
Safari/Parisienne	375	2,670	373	1,123	88,409	49,786
HONDA	6,650	3,059	6,529	19,395	142,349	231,510
Civic	1,500	0	1,617	4,731	0	19,918
Accord	5,150	3,059	4,912	15,164	142,349	211,592
NISSAN	2,920	1,944	2,857	8,692	42,695	61,859
NUMMI	4,200	1,900	4,005	12,185	58,139	191,854
Corolla	3,100	0	2,889	7,912	0	13,694
Nova	1,100	1,900	1,116	5,173	58,139	178,160
VOLKSWAGEN	2,000	2,246	2,026	4,026	94,691	81,524
Golf/GTI	1,750	2,246	1,776	3,526	94,691	80,624
Jetta	250	0	250	500	0	900
Total Cars, U.S.	179,426	165,014	181,921	517,461	8,050,518	7,667,366
Total Cars, Canada	25,599	21,808	25,183	74,168	1,085,209	1,047,051
N. American Cars	205,025	186,822	207,104	591,629	9,135,727	8,714,417
N. American Trucks	93,439	91,567	95,708	270,966	4,250,443	4,224,330
North American Cars and Trucks	298,464	278,389	302,812	862,595	13,386,170	12,938,747

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Output drops from 9-month high

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled production of 179,426 cars last week, 1.37 percent below the previous week's 181,921.

The prior week's output was the highest for any week since the 182,516 completed the week ended March 8.

Last week's targeted production was 8.73 percent more than the year-ago week's 165,014.

All assembly plants will close Wednesday (Dec. 24) for the Christmas holiday. They will reopen Jan. 5.

So far this year, 7,667,336 cars have been assembled, 4.76 percent below the 8,050,518 built last year at this point.

Companies shared last week's estimated output as follows: General Motors, 53.35 percent; Ford Motor Co., 24.60 percent; Chrysler Motors, 13.26 percent; Honda of America Manufacturing Inc., 1.71 percent; New United Motor Manufacturing Inc., 2.34 percent; Nissan Motor Manufacturing Co., U.S.A., 1.63 percent; and Volkswagen of America, 1.11 percent.

American Motors' Kenosha, Wis., plant was idle last week for inventory adjustment. The plant is scheduled to resume output Jan. 12.

GM has announced January layoffs at nine plants; 26,400 workers will be affected. Eight of the plants will be down for inventory adjustment.

The following plants will be idle from Jan. 5 to Jan. 19: Flint, Mich., 2,700 workers; Fairfax, Kans., 5,000; Fiero plant in Pontiac, Mich., 1,600; Norwood, Ohio 3,500; Pontiac G plant in Pontiac, Mich., 1,600; and Van Nuys, Calif., 2,200.

GM's Leeds, Mo., plant will be down from Jan. 5 until Jan. 12, affecting 3,700 workers. The Lordstown, Ohio, plant will be closed from Jan. 19 until Jan. 26, affecting 4,000 employees.

GM's Lakewood, Ga., facility will be closed for model changeover from Dec. 23 until early May, idling 2,100 workers. The plant will switch from Chevette-Pontiac 1000 to Chevrolet Caprice cars and wagons, Buick LeSabre wagons and Pontiac Safari wagons.

GM slated Saturday (Dec. 20) overtime at its Lansing, Mich., plant.

Ford scheduled Saturday overtime at its Dearborn, Mich.; Edison, N.J.; Wayne, Mich.; and Kansas City, Mo., plants.

Chrysler's Belvidere, Ill., and Sterling Heights, Mich., plants are slated for daily overtime today (Dec. 22) and tomorrow.

Truck production slips for week

Last week's targeted domestic truck production of 78,594 was 3.78 percent below the previous week's 12-month high of 81,679.

The latter total was the best since the week ended Dec. 14, 1985, when 83,892 trucks were assembled.

Estimated output last week was 5.98 percent more than the year-ago week's 74,162.

Year-to-date, 3,458,237 trucks have been built, 1.51 percent more than the 3,406,855 completed last year at this point.

General Motors slated Saturday (Dec. 20) overtime at its Baltimore; Detroit; and Lordstown, Ohio, plants.

Saturday overtime was scheduled at Ford Motor Co.'s Kansas City, Mo.; Lorain, Ohio; and Louisville plants.

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime today (Dec. 22) and tomorrow.

All truck plants will be closed from Wednesday, Dec. 24, until Monday, Jan. 5, for the Christmas holiday.

Canadian auto output moves up

Last week's Canadian auto output totaled 25,599, 1.65 percent more than the previous week's 25,183 and 17.38 percent more than the year-ago week's 21,808.

So far this year, 1,047,051 cars have been assembled, 3.52 percent below the 1,085,209 completed last year at this point.

Truckmakers scheduled production of 14,845 units last week, 5.82 percent more than the prior week's 14,029 but 14.71 percent below the year-ago week's 17,405.

Year-to-date, 766,093 trucks have been built, 9.19 percent below the 843,588 assembled last year at this time.

General Motors' Ste. Therese, Quebec, plant will be idle the week of Jan. 5 for inventory adjustment.

CANADIAN CAR	Week Ended Dec. 20, 1986	Week Ended Dec. 21, 1985	Week Ended Dec. 13, 1986	Dec. to Date	Jan. 1 to Dec. 21, 1985	Jan. 1 to Dec. 20, 1986
AMERICAN MOTORS	0	409	94	244	11,302	4,359
FORD MOTOR	11,694	11,417	11,247	33,780	494,215	516,230
GENERAL MOTORS	13,680	9,757	13,617	39,469	569,842	516,592
VOLVO	225	225	225	675	9,850	9,870
Total Cars, Canada	25,599	21,808	25,183	74,168	1,085,209	1,047,051

U.S. TRUCK☆	Week Ended Dec. 20, 1986	Week Ended Dec. 21, 1985	Week Ended Dec. 13, 1986	Dec. to Date	Jan. 1 to Dec. 21, 1985	Jan. 1 to Dec. 20, 1986
CHEVROLET	22,421	23,469	25,226	62,436	1,150,231	1,121,996
DODGE	5,200	4,107	6,081	17,433	210,150	148,268
FORD	33,611	28,900	31,197	96,784	1,193,437	1,357,764
GMC	7,365	8,124	9,334	22,109	350,547	352,152
NAVISTAR	1,617	1,652	1,616	4,845	72,476	71,133
JEEP	4,300	5,812	4,164	12,524	229,475	186,527
NISSAN	1,730	48	1,711	5,181	105,106	106,071
AM GENERAL*	50	50	50	150	2,480	2,454
MISCELLANEOUS*	2,300	2,000	2,300	6,900	92,953	111,872
Total Trucks, U.S.	78,594	74,162	81,679	228,362	3,406,855	3,458,237

CANADIAN TRUCK	Week Ended Dec. 20, 1986	Week Ended Dec. 21, 1985	Week Ended Dec. 13, 1986	Dec. to Date	Jan. 1 to Dec. 21, 1985	Jan. 1 to Dec. 20, 1986
AMERICAN MOTORS	0	0	327	967	0	27,147
CHRYSLER	8,964	7,793	9,158	27,289	390,024	395,910
FORD	3,648	3,662	2,909	9,311	160,567	144,870
GENERAL MOTORS	2,032	5,781	1,434	4,434	282,115	188,896
NAVISTAR	201	169	201	603	10,882	9,270
Total Trucks, Canada	14,845	17,405	14,029	42,604	843,588	766,093
N. American Trucks	93,439	91,567	95,708	270,966	4,250,443	4,224,330

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Port expansion scheduled for N.Y.-N.J. area

NEW YORK — The Port Authority of New York and New Jersey announced it will build a new $31 million port facility for unloading and processing imported automobiles.

The new facility will be located on 145 acres approximately two miles from the present car-processing center at Port Newark/Elizabeth.

The existing facilities handled 375,000 vehicles in 1985, agency officials said, and industry projections indicate this port area will be handling approximately 600,000 vehicles by 1995 if it maintains its 15 percent market share.

The companies currently shipping through the facility include Nissan, Toyota, Honda, Mazda, Hyundai, Renault, Peugeot, Jaguar, BMW, Alfa Romeo and Volvo.

The Port Authority intends to build a vessel berth in addition to paving the area and installing utility connections.

Officials also said discussions are being conducted on providing rail service to the area.

The Port Authority probably will seek a Foreign Trade Zone designation for the site.

— John A. Russell

Bramalea computers purchased by AMC

DETROIT — Westhead Associates has signed a $1.8 million (Canadian) pact to provide a production monitoring and diagnostic system for the American Motors plant in Bramalea, Ont.

Westhead will install 11 PDM 800 systems at the plant. The highly automated Bramalea plant will use more than 100 robots in body assembly.

The PDM 800 color graphic work stations will be in various assembly areas to provide on-line production and maintenance information to main assembly line workers. For example, in case of line stoppage, more than 25,000 input/output points connected to the PDM 800 network — via welding robots, other automated devices and programmable controller networks — are scanned and analyzed.

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Georges Besse: Made tough but necessary decisions — laying off workers and selling assets — to restore Renault to profitability, only to be assassinated by terrorists outside Paris home.

Malcolm Bricklin: Exceeded expectations, selling almost 50,000 low-priced Yugo imports and announced another U.S.-bound cheapie for 1988 — Malaysia's highly touted Proton Saga.

Peter Fischer: Amid big brand-wide sales declines and massive negative publicity over Audi's "sudden acceleration" problem, Fischer was sacrificed and removed as Audi's U.S. chief.

Lee Iacocca: He announced a major Chrysler reorganization and led a successful Statue of Liberty salute — despite being fired from a presidential commission in a name-calling brouhaha.

Takashi Ishihara: Nissan chairman reported his company's first loss in 35 years — largely from massive declines of the dollar against the yen, which hurt profits of all Japanese makers.

1986 *Newsmakers of the Year*

Max Jamieson: U.S. marketing chief made Hyundai the most successful first-year import ever — selling almost twice the 100,000 expected of the low-cost South Korean car.

H. Ross Perot: After criticizing GM, the billionaire EDS founder became richer by agreeing to sell his GM stock and quit and be quiet in exchange for $750 million for himself and top aides.

Roger Smith: GM chairman criticized over Perot buyout, declining market share, sluggish sales, reduced profitability, costly incentives, leadership ability and quality of GM cars.

Jack Telnack: Designer of highly successful Taurus-Sable line directed a new team approach to car building that helped Ford earn record profits, possibly even exceeding those of GM.

James Woulfe: NADA president created new factory-dealer dialogue and took active role through Project 2000 in studying and developing ideas and policies for a changing industry.

Year's top story: A time of turmoil at GM

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

It is an overstatement to say that whatever *could* go wrong *did* go wrong for General Motors in 1986.

It is *not* an overstatement to say that 1986 was something less than a prime year for the world's largest manufacturing corporation.

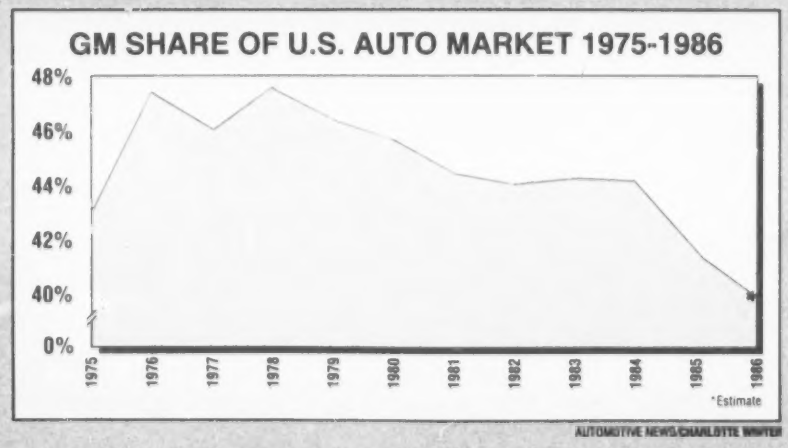
The time of turmoil at GM took first place in the Automotive News editorial staff's 34th annual Story of the Year poll.

GM was beset with problems that usually happen only to the other guys: Plant closings, declining sales, loss of market share, scaleback of product programs including the vaunted Saturn project, rethinking of truck and bus positions, troubles with its showcase computer subsidiary, falling profits and a hefty third-quarter operating loss.

Second place in the voting went to another GM happening — the $750 million buyout of the Class E stock of H. Ross Perot and his top associates and Perot's removal from the GM board of directors and from the chairmanship of GM's Electronic Data Systems subsidiary. Perot criticized GM. GM was not amused. Exit Perot.

The No. 3 story was the costly succession of incentive programs fueled by GM and adopted by other domestic makers in an attempt to breathe some life into a flat market. That, too, was pretty much a GM

see STORY, page 4



AUTOMOTIVE NEWS/CHARLOTTE WINTER

Audi won't recall its runaways

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA has asked Volkswagen of America to formally recall all 1978-1986 Audi 5000s with automatic transmissions, although the agency stressed it has not completed its probe or pinpointed the cause of unintended acceleration with enough certainty to order a recall.

VWoA said NHTSA's request pertains to "work that is already underway" and declined to issue a formal recall. The company said it has already invited owners of the estimated 250,000 vehicles involved to bring their cars in for added safety devices and free replacement of any defective parts. VWoA is the U.S. importer of Audi.

VWoA Vice President Philip Hutchinson said his company could not find safety-related defects in the cars and would not send out legally worded defect notification letters or make a formal safety-related recall.

Mandated recalls normally occur only after legal findings, which can be fought in public hearings or in the courts by the companies involved. Those hearings are so time-consuming that NHTSA routinely prefers to ask manufacturers to make voluntary formal recalls.

"Audi has been performing that work for several months, has already installed more than 50,000 automatic shift locks in 1984-1986 models and replaced several thousand idle speed stabilizers under voluntarily initiated service actions, which included notification to every owner," Audi of America said in a statement. Audi of America is a division of VWoA.

The statement continued, "NHTSA, by issuing their recommendation, recognizes the

see AUDI, page 29

World's auto sales seen dipping in '87

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Worldwide new-car sales will fall slightly in 1987 as volume stabilizes in Western Europe and declines about 3 percent in North America.

The London-based DRI-Europe research group projects world sales of 32,459,000 cars in 1987, compared with an expected total of 32,737,000 this year. By 1990, DRI-Europe sees the world market growing to 34,973,000.

Though 1986 represents the fourth straight year of expansion in the world industry, DRI-Europe noted that unlike recent years, 1986 growth has been uneven.

"A regional analysis shows that the big and mature car sales regions are enjoying healthy sales growth in 1986 while Latin America, Asia-Pacific and the Middle East and Africa regions are lagging behind," the report said.

But while the world's number three market, Japan, grows in 1987, Western Europe will slow considerably and the U.S. market

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Bush task force seeks to repeal CAFE — Page 3

Makers review 1986, look ahead to 1987 — Page 28

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Japan's gain flattens out in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — After several months of unrestrained growth, Japanese new-car sales in Europe slowed significantly in November, according to industry estimates compiled by Automotive News.

The sales slowdown coincided with reports from Tokyo that exports to Europe plunged in November — the first sign that voluntary restraints reportedly imposed last summer have taken effect.

Though the Japanese have been running 20 percent above last year's pace in Europe, sales were flat in November. Japan's carmakers registered a combined increase of only 0.1 percent. Nissan, Toyota and Mazda — the three Japanese leaders in Europe — declined in November.

New-car sales in Europe during the month were 858,600, up 7 percent over November 1985.

The consolidated Japanese market share, which reached 12 percent several months ago, slipped to 11.9 percent for the first 11 months of 1986. In September, Japanese carmakers accounted for 13.7 percent of new-car sales in Europe. In November, their share was 10.3 percent.

Nissan was off 4.7 percent in November (compared with the 1985 month) with sales of 23,800; Toyota dropped 4.2 percent to 21,000 and Mazda tumbled 9.1 percent to 14,200.

For the year, Nissan was 12.8 percent ahead with volume of 331,100. Toyota was 22.6 above 1985 at 317,900 units, and Mazda was 16.8 percent with sales of 224,300.

Despite its sales decline last month, Nissan held on to 3.1 percent of the year-to-date European market, while Toyota dropped a tenth of a percentage point to 2.9 percent. Mazda clung to 2.1 percent of the 11-month market.

Mitsubishi's surge continued unabated in November in spite of the overall Japanese slowdown. Its European sales were up 37.8 percent to 10,900. For the year, Mitsubishi was up 20.8 percent at 133,600.

Through 11 months, Japanese producers sold 1,286,200 cars in Western European, compared with 1,140,400 for all of 1985, when the Japanese finished with 10.7 percent of the market.

Japanese sales were off 25.2 percent last month in the United Kingdom, where a "gentleman's agreement" restricts market share to about 11 percent. Through 11 months, the Japanese held 11.2 percent of UK new-car sales on volume of 201,100, up 3.6 percent from 1985.

In West Germany, where there are no restrictions, Japan's carmakers are still ringing up big gains. Sales of 31,800 last month were one-third above the previous November's and amounted to 15.6 percent of the German market.

Critics view Japan's increase in Europe as a shift away from the U.S. market caused in part by the yen's sharp appreciation against the dollar and pressure for restraints.

Though Japan's trade ministry reportedly convinced automakers last summer to cap exports to Europe at 11 percent above 1985 levels, there was no immediate evidence of a curb in shipments. But the effort may finally be paying off.

Overall new-car sales in Europe totalled 10,826,600 through November, up 8.5 percent over the same period in 1985. The healthy European market has already surpassed the record 10,643,000 units sold in all of 1985.

The Volkswagen Group continued to lead the European sales race through 11 months. VW, Audi and Seat combined for 14.5 percent of the total market with sales of 1,575,100.

Audi, which had lost volume in Europe for several months, rebounded in November on the strength of its new Audi 80 line. Audi sales were up 19.3 percent to 22,200 in November.

VW's Golf/Jetta line continued as the best-selling car in Europe with 11-month sales of 741,700, accounting for 6.9 percent of the European new-car market.

The Fiat Group remained a strong second in the European standings with sales of 1,363,700 and 12.6 percent of the market. The share would be 14.1 percent with Alfa Romeo, which Fiat acquired in November.

Ford was next with sales of 1,272,400 and an 11.8 percent year-to-date share. Ford's 13.7 percent improvement in November was highest among the Big Six full-range producers in Europe. Sales were up 7.4 percent for the year.

Peugeot SA held 11.3 percent on sales of 1,220,300 after surpassing General Motors in October. GM's year-to-date share dipped slightly from 11.2 percent in October to 11.1 last month. Sales totaled 1,197,300 through November, an increase of 4.9 percent.

Renault continued to narrow the gap between itself and the other volume producers in Europe.

EUROPEAN SALES

Manufacturer	11 mos., 1986	1986 share*	11 mos., 1985	Volume Change 1986 vs. 1985
VW-Audi-Seat	1,575,100	14.5	1,433,800	+ 9.8
Fiat Auto	1,363,700	12.6	1,223,800	+11.4
Japanese (all)	1,286,200	11.9	1,081,300	+19.0
Nissan	331,100	3.1	293,600	+12.8
Toyota	317,900	2.9	259,300	+22.6
Mazda	224,800	2.1	191,900	+16.8
Mitsubishi	133,600	1.1	110,600	+20.8
Ford	1,272,400	11.8	1,184,200	+ 7.4
PSA**	1,220,300	11.3	1,136,000	+ 7.4
General Motors***	1,197,300	11.1	1,141,500	+ 4.9
Renault	1,117,000	10.3	1,059,900	+ 5.4
Mercedes	407,800	3.8	372,500	+ 9.5
Austin Rover	388,700	3.6	401,000	– 3.1
BMW	276,700	2.6	272,700	+ 1.5
Volvo	248,200	2.3	237,700	+ 4.4
Alfa Romeo	162,400	1.5	151,700	+ 7.1
Others	310,800	2.8	283,200	+ 9.7
Total	10,826,600	100.0	9,979,300	+ 8.5

*—Total does not add to 100 percent because of rounding.
**—Peugeot, Citroen, Talbot
***—Opel, Vauxhall, Isuzu, GM-U.S./Canada

NEW CAR SALES IN EUROPE

Country	11 mos., 1986	Pct. gain or loss from 1985
West Germany	2,589,200	+ 16.2
United Kingdom	1,801,600	+ 2.7
France	1,710,600	+ 5.7
Italy	1,710,600	+ 4.3
Spain	615,000	+ 19.2
Netherlands	549,400	+ 14.0
Belgium/Lux	408,000	+ 10.3
Switzerland	287,400	+ 13.5
Austria	246,000	– 4.7
Sweden	244,300	+ 0.2
Denmark	163,300	+ 10.6
Norway	158,800	+ 7.3
Finland	136,000	+ 4.5
Portugal	94,000	+ 15.3
Greece	56,400	– 23.3
Ireland	56,000	– 4.2
TOTAL	10,826,600	+ 8.5

Isuzu may use plant GM shuts in Belgium

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — General Motors will cease production in one of its two plants in Antwerp, Belgium, in 1988, heightening speculation that Japanese partner Isuzu will take over the vacated factory.

GM Continental, the U.S. automaker's Belgian unit, will concentrate car assembly in its more modern Plant 2 in Antwerp starting in September 1988. It plans to operate the facility six days a week on two shifts, with employees working four days a week.

According to various rumors, the vacated Plant 1 will be used by Isuzu to produce cars for the European market.

The new arrangement announced by GM will result in an unspecified employment reduction in Antwerp. But the cuts would be achieved through attrition and early-retirement.

GM Continental currently employs about 11,400 persons. The Opel Kadett is produced in Plant 2 and the Ascona and Manta coupe are built in Plant 1.

Plant 2 has been outfitted with new automated equipment in recent years. The company recently spent $143 million on an automated paint shop as part of a $619 million investment in Antwerp.

The proposal to operate six days a week on two shifts, with employees working four days a week, is subject to negotiation with the union representing workers at the plant. Talks are expected to begin within the next few months.

He said it has not been decided which models will be assembled in Plant 2 after the changeover, but he said the company "will likely produce more than just the Kadett."

GM has declined to comment on reports that Isuzu may eventually use the other Belgian plant as a European production base.

GM said there are no plans to dismantle Plant 1, which was completed in 1953. The GM Continental representative said the facility will be kept in running condition by a staff of about 30 maintenance employees in case it is needed at "short notice."

The two Antwerp plants currently turn out about 1,700 cars per day, with Plant 1 producing 35 units an hour and Plant 2 building 75 per hour. This year, GM Continental will produce a record 383,000. The company exports more than 90 percent of its output, with 35 to 40 percent going to West Germany.

By itself, Plant 2 will have capacity of about 370,000 to 380,000, although the total will depend on union negotiations.

GM has said it will trim its European car operations workforce of about 100,000 by some 5 percent a year in the next few years.

General Motors lost $372 million in all of its European operations in 1985. Heavy investment for the Opel Omega launch was costly.

Renault shuts Mexico Jeep plant

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Renault has quietly closed its Jeep Wagoneer operation in suburban Vallejo because of poor sales.

The company withdrew from the Mexican car market in August for similar reasons. It leaves Renault with just one plant in Mexico, Gomez Palacio, which builds F engines for export.

Closing of the Wagoneer assembly plant and the Lerma plant that supplied it with engines were not publicly announced, but the combined workforce of 500 has been paid termination benefits.

Alain Hayat, general secretary of the Renault organization in Mexico, said the two plants, plus the car plant in Ciudad Sahagun, will be sold.

"There were many reasons for stopping Wagoneer production," Hayat said. "The main reason is the situation in the domestic market. Sales were very low and it was difficult to have a significant operation in a plant like Vallejo."

Renault sold only about 2,000 Wagoneers in 1986. The number still in inventory is not known, but Hayat said that distributors were selling the vehicle at the normal price of about $13,300.

Before its closure, Renault made the Alliance, Encore, R5 and R18 at Ciudad Sahagun.

Canadian sales off 16% in November despite incentives

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales in Canada in November were 16.46 percent below the total for the year-ago month.

Canadian dealers delivered 51,651 cars in November compared to 61,834 in November 1985.

Ford Motor Co. and Chrysler Motors tried to bring Canadian customers back into the showrooms with incentives on a limited number of car and truck lines. However, sales remained below year-ago levels.

New-car sales for the first 11 months of 1986 were off 3.10 percent from the same period in 1985. The 11-month total was 730,016 compared to 753,380 last year.

All four domestic automakers reported a drop in car sales in November.

MARKET SHARES November 1986

Cars	
General Motors	53.37%
Ford Motor Co.	23.76%
Chrysler Motors	19.90%
American Motors	1.90%
Volvo	1.07%
Trucks	
General Motors	43.25%
Ford Motor Co.	32.97%
Chrysler Motors	18.86%
Jeep	5.92%

On a percentage basis, Ford had the biggest November-to-November sales loss. Sales dropped 23.02 percent from 15,947 to 12,275. Ford offered cut-rate interest on 1986 Escort and Lynx and 1986 and 1987 Tempo, Topaz and Ranger models in Canada.

Chrysler's car sales declined 17.97 percent in November, dropping to 10,274 from 12,525 a year ago. A Chrysler spokesman said the company continued to offer incentives on its K-cars and light-duty trucks during November.

Sales of General Motors cars dipped 12.96 percent in November. GM's Canadian dealers delivered 27,568 cars during the month compared to 31,675 a year ago.

Also experiencing sales declines were American Motors and Volvo. AMC car sales continued to slide, dropping 11.18 percent in November. AMC sold 977 cars compared to 1,100 for the year-ago month.

Volvo sales were off 5.11 percent, dropping to 557 in November from 587 a year ago.

Canadian new-truck sales were off 4.97 percent in November compared to the same period a year ago. The monthly totals were 26,221 this year and 27,595 last year.

Chrysler's November truck sales climbed 17.15 percent over a year ago. The only other maker to show an increase in that category was AMC Jeep, which posted a 10.22 increase in November.

CANADIAN SALES

	Nov. 1986	Nov. 1985	Pct. Change	11 mos., 1986	11 mos., 1985	Pct. Change
AMC						
Cars	977	1,100	–11.18	12,376	21,322	–41.95
Jeeps	1,553	1,409	+10.22	13,714	11,236	+33.97
CHRYSLER						
Cars	10,274	12,525	–17.97	151,621	172,172	–11.93
Trucks	4,944	4,220	+17.15	57,936	58,994	– 1.79
GM						
Cars	27,568	31,675	–12.96	382,087	371,783	+ 2.77
Trucks	11,078	12,362	–10.38	145,550	128,473	+13.29
FORD						
Cars	12,275	15,947	–23.02	176,710	180,513	– 2.10
Trucks	8,646	9,604	– 9.97	114,614	106,069	+ 8.05
VOLVO						
Cars	557	587	– 5.11	7,222	7,590	– 4.84
TOTAL CAR	51,651	61,834	–16.46	730,016	753,380	– 3.10
TOTAL TRUCK	26,221	27,595	– 4.97	331,814	303,77	+ 9.23

Bush Task Force seeks to knock out CAFE

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Reagan administration plans to ask Congress to "rethink" the automotive fuel-economy standards, but a spokesman for the vice president's Task Force on Regulatory Relief made it clear that a full-fledged repeal may be sought.

Industry reaction was swift and predictable: Ford Motor Co. answered with statesmanlike approval, General Motors with enthusiastic relief, Chrysler Corp. with indignant disapproval.

Public interest groups broke into two camps: Ralph Nader's Public Citizen called the plan shortsighted; the liberal Center for Auto Safety threatened opposition; and the conservative Competitive Enterprise Institute applauded the administration's move.

The Center for Auto Safety and Public Citizen have filed six lawsuits opposing rollbacks of corporate average fuel economy (CAFE) standards. Taking an opposite tack, CEI recently sued to abolish CAFE on grounds that the standards encouraged smaller and less-safe cars.

The recently re-established Task Force on Regulatory Relief, in its first meeting, included CAFE standards as one area that endangered America's productivity and competitiveness.

It is expected that repeal of CAFE standards will be advocated in the president's State of the Union Message next month.

The task force rationale used at the first meeting was: "CAFE standards place American automakers at a competitive disadvantage, create economic distortions in the market and cause the export of jobs abroad, thus exacerbating the trade deficit."

In view of deregulated oil and the "dramatic improvement" in the domestic industry's CAFE, the task force headed by Vice President George Bush said the question to be addressed is "whether further adjustments should be dictated by gasoline prices, not government fiat."

In making the announcement, Bush pointed to the accomplishments of the administration's 1981 regulatory relief agenda. That effort, he said, resulted in "savings of more than $150 billion over a decade for investment, research and development, increased productivity and new jobs."

However, the task force's major goal of rescinding the passive-restraint standard was overturned by the courts.

In response to the task force's new intiative, the liberal public interest groups drew a parallel. They said that energy conservation may have as much of a constituency as passive restraints, especially on Capitol Hill. They predicted that when Congress returns in January, lawmakers — especially in the Senate, now controlled by Democrats — may choose to fight back.

A General Motors spokeman welcomed the proposal to "address the damage being done" to full-line makers who have spent billions to downsize.

GM said the Japanese have been favored while full-line makers "are being forced from their traditional larger-car base." GM wants to end what it calls the CAFE "straitjacket."

GM's current liability for civil penalties — $5 per car for every one-tenth of an mpg by which its fleet misses the CAFE standard — is estimated at about $500 million even with three years of carryback/carryforward credits.

A Ford spokeman said the company was "pleased" by the recommendation to address the "inequities" of the 1975 Energy Policy and Conservation Act.

Ford, which once faced $50 million in CAFE fines, is believed to have enough credits to wipe out its liability.

Chrysler said the proposal "doesn't make sense."

According to a Chrysler spokesman: "Throwing out fuel-economy standards just a day after OPEC unilaterally raised the world price of oil means we can't read history. We are setting ourselves up for a third oil shock. It also means the end of America's energy policy."

In opposing recent rollbacks of CAFE standards by NHTSA, Chrysler has said that it has done its job and met the standards and now its two major domestic competitors should do likewise.

Joan Claybrook, president of Public Citizen and former NHTSA head, predicted the auto industry may find itself in trouble all over again.

She said full-line makers had a distinct advantage over limited-line or single-line companies because they could average their big cars with their small cars instead of having all cars meet one standard.

Robert Dewey of the Center for Auto Safety called the CAFE standards the "most successful energy conservation program ever enacted" and promised strong opposition to any repeal effort.

Fred Smith of the Competitive Enterprise Institute welcomed the Administration's return to "focusing on economic deregulation" and described it as a promise to "restore an element of competition to the U.S. auto industry."

Other areas given tentative go-aheads in the task force's first meeting were: completing the job of deregulating the interstate trucking industry, abolishing the Interstate Commerce Commission and reforming bank regulations.

Title-wash plan may trap 60 in odometer case

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

As many as 60 East Coast used-car dealers could be charged with odometer tampering now that the operator of a Pennsylvania title-washing service has agreed to help with the probe.

Debra L. Blatz, 29, pleaded guilty last month to reduced charges in exchange for her cooperation. She has begun giving information on the dozens of wholesale and retail used-car dealers who did business with her, state and federal officials said.

Charged earlier this month was James J. Pettinato, 37, owner of Clifford Car City, Clifford, Pa. He faces 29 federal felony counts for allegedly using Blatz's service to obtain clean titles on cars that had rolled-back mileage readings.

Authorities said Blatz's operation typically worked like this:

Dealers who had bought high-mileage cars would give the titles to Blatz, who would change the mileage listed on the title to a figure requested by the dealer.

Blatz then would send the titles to associates in Virginia or Florida, who would use the altered titles to obtain new titles in those states. When the Virginia and Florida titles came back through Blatz to the dealers, they would obtain "clean" titles in Pennsylvania.

As many as 3,000 titles may have been laundered through Blatz, said Sally A. Lied, an assistant U.S. attorney for the Middle District of Pennsylvania.

Blatz typically charged about $175 for the service, Lied said. Blatz ran the operation, called DLB Business Consultants, from a desk she operated at the Manheim Auto Auction, near Lancaster, Pa., officials said. The auction has not been accused of any wrongdoing.

In making the deal, authorities dropped 24 charges against Blatz in exchange for a guilty plea on one count of conspiracy, three counts of making counterfeit or forged securities and three counts of interstate transportation of falsely made, forged or altered securities.

State and federal authorities are recommending a three-year prison term for Blatz. Sentencing has been set for Jan. 20.

Blatz also agreed to pay $1,500 for each of the 15 titles the indictment accused her of laundering, a total of $22,500. She was indicted last May.

Pettinato is the 12th person charged in the case, including Blatz. Six suspects have been convicted and two have been sentenced in Pennsylvania; five have been convicted and sentenced in New York and Virginia.

The probe, which began in January 1985, is being conducted by the FBI and the Pennsylvania attorney general's Bureau of Criminal Investigation.

AUTOMOTIVE NEWS/JOE WILSSENS

B-O-C workers make Christmas merry
Employees at the Buick-Oldsmobile-Cadillac Group's Conner Stamping Plant, Detroit, donate $1,500 worth of toys to the Marine Corps Toys for Tots Program. Plant employees also worked with the Salvation Army to fill food baskets for local families.

New process may assist makers in war on smog

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A new chemical process using cyanuric acid may help eliminate smog. Cyanuric acid is a harmless compound often used as a chlorine stabilizer for water in swimming pools.

The process was discovered by Dr. Robert A. Perry and Dr. Dennis L. Siebers working at the Combustion Research Facility in Livermore, Calif., which is operated by Sandia Laboratories for the U.S. Energy Department.

Perry found that by allowing hot exhaust gases to pass over cyanuric acid, the exhaust's nitrogen oxides — the precursors of smog — are removed.

Perry's new process is named RAPRENOx, an abbreviation for rapid reduction of nitrogen oxides. Working with Siebers, he made lab tests on part of the exhaust from a single-cylinder diesel engine and found 99 percent of the NOx was removed.

According to Dr. Peter L. Mattern, new director of the Combustion Research Facility, an added benefit of this work is that it decouples the control of NOx and control of diesel particulates. Traditional control methods produce a seesaw effect: As NOx is controlled, particulates increase, and as particulates are reduced, NOx increases. RAPRENOx might make it possible to control particulates in the engine during combustion and control NOx outside the engine.

The Perry-Siebers work was funded by two programs operated by the Energy Department, which has formally waived its title to the invention in favor of Perry. The Energy Department retains the right to use the process without paying any license fees. Perry plans to leave Sandia and form a company to develop the process commercially.

Perry and Siebers believe they have a cheap and effective process for broad application — coal-fired powerplants and industrial boilers as well as engines. They say it has "important implications for a wide spectrum of energy conversion technologies and for industrial applications. . . ."

Sandia spokesmen noted, however, that the RAPRENOx concept is still undergoing confirmatory testing. The technology — including engineering research, the development of chemical devices that could be fitted to commercial engines and studies of performance under actual driving conditions — does not yet exist.

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61st year—No. 5160

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Navigation system expected as option on '89 GM cars

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors plans to offer an on-board computer navigation system as an option on 1989 models, according to National Car Rental System Inc. National is using the system on 15 GM vehicles it is operating in the San Francisco area.

A GM spokesman in Washington said GM does not comment on future product plans.

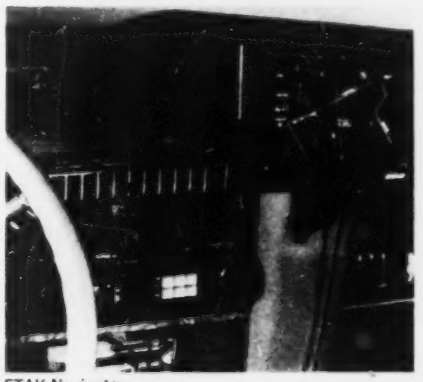
The navigation system, called the ETAK Navigator, is self-contained. It continually displays on a small television screen a map showing the location of the driver's car and the driver's destination.

The ETAK Navigator makes use of moving maps to help drivers find their destinations. As the car moves, the map is updated and recreated on the screen each second.

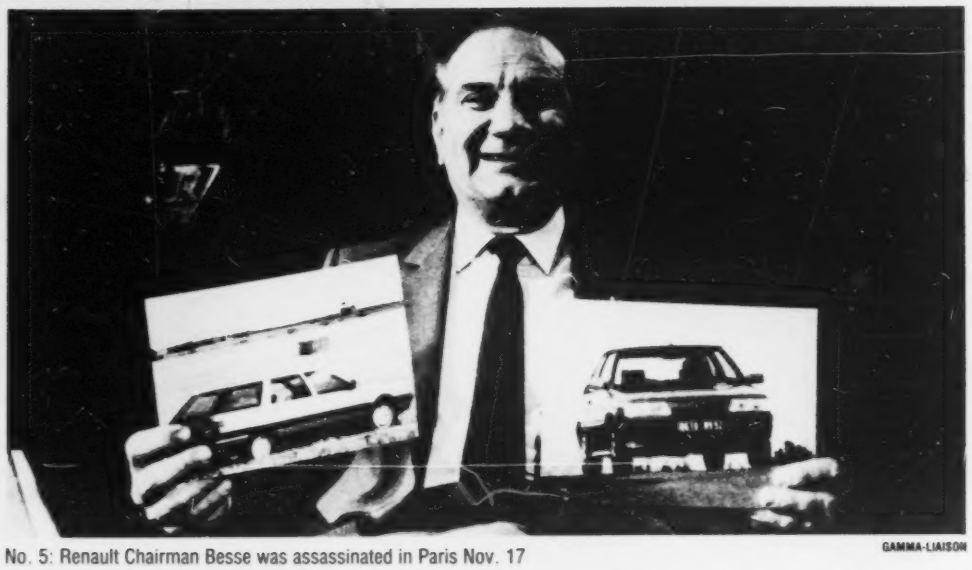
The system is the creation of ETAK Inc., a California company that was formed in 1983. National Car Rental said it became involved with the program through its relationship with GM. ETAK reportedly has a licensing agreement with GM.

In Washington, GM said its Research Laboratories and Delco Electronics have worked to develop the system.

The ETAK Navigator uses an orientation system consisting of motion sensors mounted on the front wheels and an electronic compass in the rear window. A shoe box-size processor fits in the trunk and contains the computer. A tape drive, which accepts maps recorded on special tapes, can be placed anywhere in the passenger compartment, but is usually located under the driver's seat. A four-inch display screen is attached to the front of the instrument panel.



ETAK Navigator



GAMMA-LIAISON

No. 5: Renault Chairman Besse was assassinated in Paris Nov. 17

realized that it was silly to buy a car between incentive programs — wait a while and save a bundle. So the low-interest-rate offers continued.

There's another problem. Incentive programs are expensive for the manufacturers, so they raise prices to defray the cost. But the higher prices stifle sales, and that leads to more incentives. And the new incentives also are expensive, which means another price hike. And around and around and around.

Maybe the chain is about to break. The current round of cut-rate loans and rebates is slated to end in January. GM isn't playing the finance-rate game this time (although it is offering a $300 rebate on Chevrolet Cavalier). Said one observer, "If GM can hold out, maybe the industry will get back to selling cars instead of paper."

No. 4: The rising yen

Despite their increasing share of the U.S. market, all is not well with the Japanese automakers. The appreciation of the yen against the dollar is causing severe profit problems. That was the fourth-place story in the 1986 poll.

In mid-1985, the exchange rate was about 240 yen to the dollar. Today, it's a bit over 160. Thus, the yen has risen about 50 percent against the dollar. During that period, prices of Japanese cars in the United States have gone up about 18 percent.

That means the Japanese are making a lot less money on their U.S. business. Japan's auto industry is an export industry, and the United States is its prime market. The result is a serious profit pinch.

In the six months ended June 30, the first half of its fiscal year, Nissan suffered its first operating loss since going public in 1951. Toyota's profits were down 15 percent for the fiscal year ended June 30, and Honda's profits were off 44 percent for the six months ended Aug. 31, the first half of its fiscal year. Mazda's profits fell 55 percent in the first half, ended April 30.

No. 5: Besse murdered

The murder of Renault chief Besse was the No. 5 story in this year's voting. Besse was gunned down outside his Paris home Nov. 17. Action Directe, a French left-wing extremist group, claimed responsibility for the killing.

Besse, 58, had headed the state-owned automaker for 22 months. He came from Pechiney, France's nationalized aluminum and chemical firm. He took over that company in 1982 and returned it to profitability in two years.

And he was making progress at Renault. Under Besse's cost-cutting programs, the company was trimming its losses and was improving its share of the market. He expected Renault to be in the black by the end of 1987. And some said it had already turned the corner at the time of his death — forecasting a profitable fourth quarter for Renault this year.

In mid-December, Raymond H. Levy, 59, was chosen to head Renault. He formerly was chief of Cockerill-Sambre, Belgium's state-owned steel group. Like Besse, he has a reputation for ministering to sick companies.

The 1986 rundown

Here are the leaders in the 1986 Story of the Year poll:

1. A time of turmoil at GM: Market share dips; plants to close; Saturn scaled back; plastic-bodied Camaro-Firebird dropped; bus operations for sale; Volvo to run heavy-truck venture; company has third-quarter operating loss of $338 million. (139 points, 18 first-place votes)

2. The Ross and Roger show: Perot snipes at GM and Smith. GM pays Perot and his top aides $750 million for their Class E stock and for "contingency fees;" removes Perot from GM board and removes him as chairman of EDS. (96 points, eight first-place votes)

3. Incentives: Cut-rate loans in news throughout year as domestic makers try to hype stale market. GM drops to 2.9 APR for 1986 cleanup; Ford matches it; Chrysler offers 2.1 percent; AMC, zero percent. September sales set record. (69 points, three first-place votes)

4. Rising yen means problems for Japanese automakers. Nissan has operating loss for first half. Toyota profits down 15 percent for fiscal year ended June 30. Honda profits down 44 percent for first half ended Aug. 31. (42 points)

5. Georges Besse, Renault chairman, murdered in in Paris by terrorist group. (28 points, one first-place vote)

6. Hyundai's success: Car goes on sale in United States in February with goal of 100,000 sales for first year. It may double that figure. (23 points)

7. Ford profits top GM's for first nine months of 1986; maybe for full year. (20 points)

8. (Tie) Prices rise on Japanese cars as yen appreciates in value. Four leaders up an average of $1,331, or 13.87 percent, during 1986 model year. Ford and GM rise prices, too, failing to capitalize on Japanese problem. (11 points)

8. (Tie) Car-truck sales expected to set record of 16 million for 1986 calendar year. (11 points)

8. (Tie) More transplants: Fuji-Isuzu to build in Indiana; GM-Suzuki to build in Canada; Honda starts assembling in Canada, adds Civic and engine plant in Ohio. (11 points)

11. New Taurus and Sable a big success for Ford Motor Co. (11 points)

Other stories mentioned in the voting were: Audi's runaway-car problems; Chrysler to build cars in AMC plant; Ford and VW merge operations in Brazil and Argentina; Ford loses Alfa Romeo to Fiat; Detroit-area dealers tried on FTC charge of conspiring to limit sales hours; and Roger Smith calls for stricter quotas on Japanese car exports to the United States.

AUTOMOTIVE NEWS JOE WILSEMS

No. 3: Domestic makers instituted a costly succession of incentive programs to breathe some life into a flat market

DRI FORECAST (Thousands)

	1980	1985	1986	1987	1990
World					
Sales	28,843	31,982	32,737	32,459	34,973
Western Europe					
Sales	10,119	10,608	11,292	11,236	11,471
Production	10,347	11,20	11,612	11,784	12,257
Total EC					
Sales	9,219	9,540	10,156	10,072	10,271
Production	10,347	10,809	11,188	11,333	11,778
North American					
Sales	9,907	12,175	12,322	11,927	12,657
Production	7,212	9,277	8,928	8,543	9,031
Japan					
Sales	2,854	3,104	3,195	3,242	3,366
Production	7,038	7,647	7,757	7,720	8,054
South Korea					
Production	57	264	414	636	910
Exports	15	119	274	465	640

SALES

FROM PAGE 1

will decline, the research group said.

DRI-Europe predicts volume of 11,236,000 cars in Western Europe next year, compared with 11,292,000 in 1986. The group projects an upturn in sales to 11,471,000 in 1990.

North American sales — expected to reach 12,322,000 million in 1986 — will fall to 11,927,000 next year and build to 12,657,000 by the end of the decade, according to the forecast.

DRI-Europe expects "only a small fall" in the U.S. car market, from 11.3 million units this year to 10.9 million in 1987. However, it looks for sales by U.S.-based manufacturers to decrease about 8 percent as new imports from Korea and Brazil push up the U.S. import total.

The research organization predicts that imports will rise to 3.8 million units by 1991, including cars imported by U.S.-based companies. Based on a projected U.S. market of 11.8 million cars that year, imports would hold a 32 percent share, compared to 26.5 percent in 1985.

The Japanese market is expected to rise slightly, from 3,195,000 cars in 1986 to 3,242,000 next year and 3,366,000 in 1990.

DRI-Europe said the sales rankings of Europe's top six automakers will undergo a continuous shakeup in the next few years.

Renault, which has fallen from first place to sixth since 1983, is prime for a turnabout, while Fiat Auto — with Alfa Romeo included — will challenge Volkswagen Group for first place, DRI-Europe said.

Meanwhile, the Japanese are weighing strategies in the face of growing pressure for restrictions. A key issue is how Toyota will respond to the establishment of manufacturing bases in Europe by Nissan and Honda.

"Although Volkswagen's lead in Europe will only be challenged by the enlarged Fiat Group, the other four positions among volume manufacturers will fluctuate almost continuously over the next few years," DRI-Europe said.

Through November, VW-Audi-Seat was the European leader with 14.5 percent of the car market. Fiat (with Alfa's 1.5 percent included) held 14.1 percent; Ford, 11.8 percent; Peugeot SA, 11.3 percent; General Motors, 11.1 percent and Renault 10.3 percent.

Renault's share fell to 9.9 percent last summer, but has been rising steadily since then.

"Renault is set to make a recovery in 1987," DRI-Europe said. "This will be mainly because of the new R-21, which is currently selling very well in France and will thus boost its European sales significantly."

But DRI also said that Renault's French adversary, PSA, will derive continued sales strength from its Peugeot 309, while the Citroen AX offers stiffer competition for subcompact competitors as it becomes more widely available throughout Europe in 1987.

DRI said Ford's facelifted Sierra and Volkswagen's new Passat will have an impact on the market. The re-skinned Sierra sedan is due to bow in early 1987, while reports are that the Passat's introduction has been delayed and will not take place before early 1988.

The Sierra is expected to impact Opel Ascona/Vauxhall Cavalier sales, while the new Opel Omega/Vauxhall Carlton enhances GM's penetration of the European executive segment against the likes of Ford Scorpio/Granada, Renault 25 and Fiat Croma/Lancia Thema.

Fiat, now heavily dependent on the Uno and Panda outside Italy, will get help from the new Type 2/3 models in the lower medium segment duing the next three years as well as from the Brazilian-built Duna, a sedan version of the Uno that will be shipped to Europe at the rate of 60,000-80,000 annually beginning next year.

This year, the Japanese have focused heavily on Europe, where the yen has not appreciated so dramatically against local currencies. But the resulting criticism from European manufacturers has led to self-imposed export restraints, which have recently begun to have an impact on Japanese volume.

DRI said current restrictions favor Nissan — the Japanese sales leader in Europe — because they exclude Nissan production at its new plant in the United Kingdom.

There have been reports out of Tokyo recently that Toyota favors a joint manufacturing venture in Europe similar to its New United Motor Manufacturing Inc. partnership with General Motors in the United States.

Automotive News soothsayers predict sales drop

DETROIT — The Automotive News editorial staff sees a downturn in car and truck sales in 1987 — about 15.25 million compared with the record 16 million expected for this year.

The car sales forecast is 10,650,000, down from an anticipated 11,260,000 for 1986.

The staff predicts that sales of U.S.-built cars will drop to 7,361,000 in 1987, down from 8,060,000 this year. Sales of imported cars are seen rising to 3,289,000 from this year's 3,200,000.

The truck sales forecast is 4,604,000, down from about 4,800,000 in 1986.

The forecast is based on the averages of estimates submitted by Automotive News reporters and editors.

Spain rides crest of sales tsunami

By Richard Johnson

After a decade of stagnation, Spain has emerged as Europe's fastest-growing new-car market.

Consumer confidence inspired by lower interest rates, reduced inflation, political and social calm, and entrance by Spain into the Common Market have overcome the effects of a steep new value-added-tax on autos.

All told, about 100,000 more cars will be sold this year in Spain than last year.

"The rate of growth has been quite spectacular," observes Eddy Van Loo, marketing director of General Motors Espana S.A., which has boosted sales sharply this year.

Actually, expansion of the Spanish new-car market is long overdue. The industry surpassed the 500,000-mark more than 10 years ago and achieved record volume of 633,000 in 1977.

"The industry in Spain has been very disappointing over the last 10 years," notes Alain Batty, Ford Espana S.A. marketing director. "It had already reached a half-million and forecasts were it would grow to at least a million cars by 1990. But it's remained at 500,000-600,000."

The real push in Spain began about mid-year. Industry sales rose 25 percent in October — best among the 17 major West European markets — after increases of 32 percent in September and 34 percent in August.

Spain recently passed The Netherlands to move into fifth place in car sales among European countries. The top four are West Germany, United Kingdom, Italy and France.

Spain's rate of increase in October was more than three times that of Western Europe as a whole, where sales were up 7.5 percent for the month.

Spain's 17.7 percent improvement in 1986 over 1985 is highest among the 17 major markets. Sales in Spain in January-October (549,800) compared to 467,000 in the same period last year. Industry officials in Spain predict 1986 will wind up with sales at an all-time high 675,000 units, and they forecast 700,000-750,000 units in 1987.

Leading the surge in Spain are Ford and GM, both of which have production bases there.

Ford's Spanish sales rose 63 percent in October after gains of 27 percent in September and 55 percent in August. Sales for the 10 months (77,900) are 23.7 percent above last year. The company's Spanish-built Escort/Orion subcompact twins shot up 113 percent in October and are running 48 percent ahead of last year with 10-month sales of 48,000.

GM's volume, up 52 percent in October, ran 34 better than last year for 10 months at 76,900 units. The locally produced Corsa leads with total sales of about 54,000 expected for 1986.

Both companies figure to eclipse the 100,000 mark for the first time in Spain this year. However, Ford and GM are fourth and fifth behind Renault, Volkswagen Group and Peugeot S.A. in the total market.

According to GM's Van Loo, the Spanish economy has rebounded for a number of reasons, including stable energy prices, a significant drop in interest rates since the end of 1985, and a sense of confidence arising from Spain's commitment this year not only to the Common Market, but also to renewed membership in NATO. "This country is now definitely a part of Europe," says Van Loo.

The re-election of Prime Minister Felipe Gonzalez Marquez and his government this year also has helped foster an atmosphere for economic recovery, according to Van Loo. "The victory provided not only political stability, but also brings a kind of social peace," he says. "This is very important for the economy. It leads to a climate of confidence."

Notes Ford's Batty: "The political stability in Spain is a good factor. There is real good social ambience."

He also cites lower fuel prices and general economic vitality as springboards for robust Spanish sales. "There's a lot of money coming back into the market and being spent on consumer goods," he says.

Some observers say demand is heavy in Spain because consumers are anticipating the next round of inflation. Van Loo also notes that pent-up demand for replacement cars, built up in recent years, is now being fulfilled.

Spanish sales have continued unabated this year despite the addition of a value-added-tax adopted as a provision for joining the European Economic Community. The 33 percent VAT tax on cars has drawn criticism from automakers, but apparently has done little to dampen sales.

Says Batty: "The value-added tax didn't have a real impact because we previously had two or three different taxes which were more or less equivalent."

Spanish market leader Renault, with sales of 145,400 units and better than a 26-percent share through October, is running 3 percent ahead on the year. VW Group, helped by acquisition of Spanish carmaker Seat, is 13 percent ahead of 1985 with sales of 109,300. Seat sales in its home market are 19 percent better than last year at 67,800. PSA's 10-month volume of 87,000 is 4 percent above last year.

Japanese producers, virtually excluded by the Spanish government, are unable to participate in the expanding market.

Japan's automakers sold 3,400 cars through October, the same level as in 1985.

West Germany continued to pace Western Europe in new-car sales through the first 10 months of 1986. The West German car market was 16.1 percent ahead of 1985 through October with total volume of 2,375,400, according to industry sources compiled by *Automotive News*.

The United Kingdom was second-best through 10 months, with sales of 1,675,000 topping last year by 2.5 percent. Italy, with 10-month volume of 1,570,700, was up 4 percent over 1985. In France, sales of 1,547,500 units in 10 months were 5.7 percent ahead of last year. ■

NEW CAR SALES IN EUROPE

Country	10 mos. 1986	Pct. gain or loss from 1985
West Germany	2,375,400	+ 16.1
United Kingdom	1,675,000	+ 2.5
Italy	1,570,700	+ 4.0
France	1,547,500	+ 5.7
Spain	549,800	+ 17.7
Netherlands	517,900	+ 14.8
Belgium/Lux	382,200	+ 11.1
Switzerland	267,000	+ 14.8
Austria	231,100	+ 4.0
Sweden	219,400	– 1.0
Denmark	157,300	+ 16.3
Norway	149,100	+ 12.3
Finland	126,600	+ 4.8
Portugal	86,100	+ 15.9
Ireland	54,600	– 1.7
Greece	50,400	– 25.1
TOTAL	9,996,100	+ 8.5

Although Ford ranks only fourth in the total Spanish market, sales of its Orion (above) and Escort have jumped astronomically. Sales of the twin subcompacts in Spain are running 48 percent ahead of last year.

WORLD NEWS BRIEFS

AR workers accept pact

Hourly workers at Austin Rover Group agree to terms of a two-year wage package recommended for adoption by union leaders. The pact, running through November 1988, covers 26,000 workers at AR facilities in Britain. Approved by a vote of better than 2-1, it includes 3-percent wage hikes annually plus quality and productivity bonuses.

Avis orders from AR

Austin Rover lands an $18 million order from Avis Rental Car Division in the United Kingdom. Avis will buy at least 2,500 AR cars, with delivery beginning in January.

The ball's in Opel's court

General Motors' Adam Opel AG signs a three-year agreement with the International Tennis Federation and European Tennis Association to sponsor several events. The West Germany-based automaker obtained exclusive car industry advertising and promotional rights for the Davis Cup, Federation Cup, Women's National Team Championship, World Youth Cup (for players under 16) and Opel European Cup (European indoor team championships).

Daimler, Kloeckner unite

Daimler-Benz and Kloeckner-Humboldt-Deutz of West Germany agree to cooperate on production of tractors and agricultural machinery. They will establish a new company based in Cologne and held 60 percent by Kloeckner, 40 percent by Daimler. The company will develop four-wheel-drive models ranging from 70 to 200 horsepower. Daimler and Kloeckner also will form a joint sales company based in Gaggenau, West Germany, for Daimler's MB-Trac and KHD's Intrac models.

Big rigs go aero

The U.K.'s Leyland Trucks launches a joint aerodynamic research project with trailermaker Crane Fruehauf. They will investigate possible reductions in wind drag on big rigs. The companies already have subjected a standard Leyland Roadtrain and Crane Fruehauf box-van semi-trailer to wind tunnel research. Modifications based on initial results are undergoing road tests.

Jags in department stores

Jaguar automobiles will be marketed in Japan through a new joint venture between Jaguar Cars and Seibu Department Stores of Japan. Showrooms will open in Tokyo and Osaka. Seibu owns 60 percent of the venture, Jaguar 40 percent. The joint company expects to sell 600 cars a year starting in 1987, with volume rising to 2,000 annually by the end of the decade. Until now Jaguars have been sold in Japan through Austin Rover outlets.

Saarlouis hits milestone

Ford-Werke AG's plant in Saarlouis, West Germany, produced its 4-millionth car, a white Ford Orion, on Nov. 24. The plant was officially opened in June 1970 by Henry Ford II. It once built U.S. and European versions of Fiesta and some Capri models, but now produces only Escorts and Orions.

Ford redoes racer

A new Benetton Ford Formula One car will use a turbocharged Ford 1.5-liter V-6 engine from Cosworth Engineering for the 1987 racing season. The car, now in the design stage, will be driven by team drivers Teo Fabi of Italy and Thierry Boutsen of Belgium.

Bulldozers head for Russia

Fiat-Allis, machinery subsidiary of the Italian group, signs a deal to supply more than 250 bulldozers to the Soviet Union, according to Tass, official Soviet news agency.

Seats for Diamond-Star

Douglas & Lomason Co., Farmington Hills, Mich., and Namba Press Works Co. Ltd., Kurashiki, Japan, form a joint venture to produce trimmed complete seating for Diamond-Star Motors. The venture, called Bloomington Seating Co., will operate a plant in Normal, Ill., near Diamond-Star's new car-assembly plant.

Fiat takes stake in bank

Fiat Group purchases a minority stake in Italian bank Credito Romagnolo. Fiat paid the equivalent of about $27 million for a 2-percent stake in the Bologna-based bank.

Sicot departs Ford

Robert Sicot, manager of European press relations and governmental affairs for Ford of Europe since 1968, announces he will leave the company Jan. 1. The 59-year-old Sicot plans to continue his public relations career as an international communications consultant for the automotive industry. ■

Sicot

OVERSEAS PRODUCTION

FRANCE
Cars

	10 mos. 1986	10 mos. 1985
Peugeot SA	1,224,311	1,072,847
Citroen	437,530	396,811
Peugeot/Talbot	736,781	676,036
Renault	1,074,674	1,108,456
Total	2,298,985	2,181,303

Van, trucks, buses

CBM	40	48
Heuliez	134	0
Iveco-Unic	67	85
Peugeot SA	127,685	137,092
Citroen	58,090	61,238
Peugeot/Talbot	69,795	75,854
Renault	220,413	174,655
Sovam	69	77
Total	348,608	311,957
Total Vehicles	2,647,593	2,493,260

UNITED KINGDOM
Cars

	8 mos. 1986	8 mos. 1985
Carbodies	1,438	1,102
Ford	206,269	206,469
Jaguar	27,441	25,540
Lotus	431	577
Panther	186	84
Reliant	215	628
Rolls-Royce	1,694	1,597
Rover Group	278,029	339,451
Austin Rover	268,575	330,518
Range Rover	9,454	8,933
TVR	355	291
Vauxhall	101,088	101,876
Others	384	404
Total	658,830	721,622

Vans, trucks, buses

Bedford	34,561	39,960
ERF	1,216	1,392
Foden	350	297
Ford	58,053	72,641
Hestair-Dennis	571	546
Iveco-Ford	1,722	0
Metro-Cammell Weymann	165	305
Reliant	16	47
Renault TI	2,796	3,505
Rover Group	58,053	72,641
Austin Rover	12,968	18,069
Freight Rover	12,230	13,403
Land Rover	14,804	20,891
Leyland	8,091	10,565
Seddon Atkinson	1,099	1,183
Others	117	122
Total	148,616	182,926
Total Vehicles	807,446	904,548

JAPAN
Cars

	9 mos. 1986	9 mos. 1985
Daihatsu	112,619	120,189
Fuji	214,614	182,270
Honda	756,320	679,336
Isuzu	157,772	151,915
Mazda	615,814	591,353
Mitsubishi	444,027	411,846
Nissan	1,357,206	1,392,756
Suzuki	216,360	166,861
Toyota	2,006,248	1,905,858
Total	5,880,980	5,602,384

Vans, trucks, buses

Daihatsu	338,283	303,621
Fuji	246,001	241,842
Hino	42,929	50,818
Honda	160,683	112,559
Isuzu	259,169	277,284
Mazda	299,361	282,003
Mitsubishi	444,995	426,297
Nissan	369,058	498,578
Nissan Diesel	23,380	28,059
Suzuki	427,974	397,074
Toyota	736,762	829,950
Others	577	613
Total	3,350,398	3,448,698
Total Vehicles	9,231,378	9,051,082

OVERSEAS REGISTRATIONS

BELGIUM
Cars

	9 mos. 1986	9 mos. 1985
Alfa Romeo	2,735	2,310
ARO	16	17
BMW	8,380	6,589
Daihatsu	1,594	1,285
FSO	790	780
Fiat Auto	12,822	11,018
Fiat	11,520	9,970
Lancia	1,302	1,048
Ford	26,597	25,477
GM-Opel	37,474	35,841
Honda	8,536	7,462
Hyundai	64	391
Isuzu	73	51
Jaguar	230	258
Lada	11,545	10,619
Mazda	7,570	7,138
Mercedes-Benz	9,830	8,284
Mitsubishi	8,067	6,982
Nissan	13,576	12,059
Peugeot SA	44,343	40,803
Citroen	20,989	19,509
Peugeot/Talbot	23,354	21,294
Porsche	417	381
Renault	27,238	26,813
Rover Group	4,058	4,065
Saab	1,343	1,016
Skoda	2,864	2,279
Subaru	2,486	2,004
Suzuki	2,476	1,854
Toyota	22,593	18,292
VW Group	50,541	44,565
Volkswagen	33,929	30,275
Audi	12,335	10,986
Seat	4,277	3,304
Volvo	7,912	6,572
Wartburg	760	864
Zastava	512	388
Others	224	179
Total	317,666	286,636

UNITED KINGDOM
Cars

	10 mos. 1986	10 mos. 1985
Alfa Romeo	2,089	2,769
BMW	32,649	30,177
Daihatsu	4,915	3,960
Fiat Auto	57,021	51,225
Ford	454,070	425,464
FSO	4,147	5,387
GM-Vauxhall	253,357	271,321
Honda	18,740	16,817
Hyundai	6,749	4,598
Jaguar	6,567	7,275
Lada	17,628	13,170
Lotus	391	503
Mazda	16,244	14,999
Mercedes-Benz	18,161	16,539
Mitsubishi	10,572	10,033
Nissan	96,176	91,655
Panther	55	51
Peugeot SA	107,206	90,422
Citroen	30,260	24,464
Peugeot/Talbot	76,946	65,958
Reliant	268	582
Renault	61,402	64,267
Rolls-Royce	745	642
Rover Group	269,209	299,189
Austin Rover	265,445	296,328
Range Rover	3,764	2,861
Saab	9,001	7,400
Skoda	11,119	8,747
Subaru	3,221	2,876
Suzuki	3,901	3,484
Toyota	33,056	31,059
VW-Audi-Seat	104,535	95,205
Volvo	59,898	52,171
Zastava	7,593	7,175
Others	4,280	3,745
Total	1,674,965	1,632,957

JAPAN
Cars

	9 mos. 1986	9 mos. 1985
Daihatsu	69,850	73,234
Fuji	55,575	59,837
Honda	218,325	212,071
Isuzu	44,845	32,668
Mazda	143,812	139,014
Mitsubishi	113,082	132,200
Nissan	591,921	607,896
Suzuki	50,290	53,654
Toyota	1,029,417	977,587
Imports (all)	50,409	37,829
Total	2,367,526	2,323,990

Vans, trucks, buses

Daihatsu	288,040	248,502
Fuji	174,136	168,574
Hino	30,311	31,187
Honda	148,071	100,050
Isuzu	85,875	90,611
Mazda	121,657	115,628
Mitsubishi	274,248	267,135
Nissan	190,784	204,974
Nissan Diesel	16,025	16,645
Suzuki	317,934	306,749
Toyota	272,053	260,948
Imports (all)	135	128
Total	1,919,269	1,811,131
Total Vehicles	4,286,795	4,135,121

AUSTRIA
Cars

	9 mos. 1986	9 mos. 1985
Alfa Romeo	1,892	1,728
BMW	5,650	6,389
Daihatsu	1,205	715
Fiat Auto	12,966	11,104
Ford	21,637	20,792
GM-Opel	26,947	27,599
Honda	4,819	3,932
Lada	1,584	1,359
Mazda	18,829	16,381
Mercedes-Benz	7,916	7,587
Mitsubishi	4,884	4,550
Nissan	10,757	10,251
Peugeot SA	13,941	12,890
Porsche	346	407
Renault	9,928	8,641
Rover Group	318	357
Saab	333	282
Skoda	821	906
Subaru	3,192	2,792
Suzuki	3,125	2,862
Toyota	13,918	10,555
VW-Audi-Seat	43,504	46,761
Volvo	2,783	2,771
Others	324	623
Total	211,619	202,234

WEST GERMANY
Cars

	10 mos. 1986	10 mos. 1985
Alfa Romeo	5,976	7,036
Alpina	165	0
AMC	489	0
Austin Rover	10,038	5,422
BMW	124,109	125,786
Bertone	353	366
Daihatsu	10,224	7,248
Fiat Auto	105,877	89,912
Ford	244,068	215,447
GM-Opel	355,552	315,449
Honda	41,186	32,724
Isuzu	4,746	3,255
Jaguar	1,516	2,045
Lada	8,718	6,952
Mazda	72,239	56,193
Mercedes-Benz	258,109	237,939
Mitsubishi	51,793	39,032
Nissan	71,010	55,882
Peugeot SA	113,999	83,616
Citroen	40,430	32,093
Peugeot/Talbot	73,569	51,523
Porsche	9,530	10,296
Renault	78,438	67,858
Saab	3,857	2,750
Skoda	2,930	2,071
Subaru	12,412	8,839
Suzuki	19,366	15,511
Toyota	76,307	52,666
VW Group	677,712	586,130
Volkswagen	553,178	469,009
Seat	4,334	3,759
Audi	119,700	113,362
Volvo	14,264	11,578
Others	1,193	1,985
Total	2,376,954	2,045,545

SWEDEN
Cars

	11 mos. 1986	11 mos. 1985
Alfa Romeo	1,148	961
BMW	4,130	4,009
Daihatsu	1,464	1,393
Fiat Auto	6,086	6,082
Ford	27,369	26,826
GM-Opel	22,406	25,524
Honda	3,669	3,276
Jaguar	32	33
Lada	1,635	1,469
Mazda	11,643	11,124
Mercedes-Benz	7,132	9,460
Mitsubishi	2,182	2,315
Nissan	13,401	7,802
Peugeot SA	6,871	6,597
Citroen	2,767	2,861
Peugeot/Talbot	4,104	3,736
Porsche	441	433
Renault	3,079	2,489
Saab	26,610	25,055
Skoda	160	320
Subaru	1,353	1,277
Suzuki	1,004	546
Toyota	16,484	11,019
VW Group	28,420	29,659
Volkswagen	18,705	19,012
Audi	9,715	10,647
Volvo	57,483	65,321
Others	77	45
Total	244,279	243,755

SWITZERLAND
Cars

	9 mos. 1986	9 mos. 1985
Alfa Romeo	5,494	5,062
BMW	7,911	8,743
Daihatsu	898	950
Fiat Auto	19,959	17,367
Fiat	16,009	14,283
Lancia	3,950	3,084
Ford	20,487	16,904
GM-Opel	32,518	28,204
Honda	6,799	6,266
Isuzu	605	409
Jaguar	358	354
Mazda	8,452	6,115
Mercedes-Benz	7,084	5,077
Mitsubishi	6,684	6,162
Nissan	9,263	8,716
Peugeot SA	21,544	17,860
Citroen	7,540	6,950
Peugeot	14,004	10,284
Talbot	0	626
Porsche	1,353	1,116
Renault	13,972	13,432
Rover Group	1,754	1,762
Saab	1,408	933
Skoda	99	80
Steyr-Puch	128	117
Subaru	9,633	7,820
Suzuki	3,304	3,047
Toyota	18,893	13,308
VW Group	39,161	35,562
Volkswagen	26,209	23,325
Audi	10,393	10,929
Seat	2,559	1,398
Volvo	4,494	3,864
Others	103	84
Total	242,558	209,404

ICELAND
Cars

	9 mos. 1986	9 mos. 1985
Alfa Romeo	24	0
BMW	75	34
Daihatsu	620	244
Fiat Auto	405	271
Ford	488	348
GM-Opel	287	149
Honda	216	123
Lada	1,907	578
Mazda	553	538
Mercedes-Benz	36	49
Mitsubishi	871	675
Nissan	285	234
Peugeot SA	287	174
Citroen	246	151
Peugeot	41	23
Polonez	23	54
Renault	32	39
Saab	156	74
Seat	75	28
Skoda	537	285
Subaru	895	529
Suzuki	138	72
Toyota	1,112	613
Trabant	100	0
VW-Audi	348	193
Volvo	337	179
Total	9,807	5,483

DENMARK
Cars

	10 mos. 1986	10 mos. 1985
Alfa Romeo	496	356
BMW	3,259	3,019
Dacia	310	566
Daihatsu	3,168	2,444
Fiat Auto	7,855	6,506
Ford	19,293	21,013
FSO	1,149	1,644
GM-Opel	25,272	22,669
Honda	3,075	1,682
Isuzu	2	5
Jaguar	25	27
Lada	4,005	3,166
London Taxi	1	0
Maserati	1	0
Mazda	16,401	12,096
Mercedes-Benz	1,308	963
Mitsubishi	3,858	2,406
Morgan	1	0
Nissan	9,329	6,998
Peugeot SA	11,822	8,309
Citroen	7,480	5,542
Peugeot/Talbot	4,342	2,767
Porsche	19	0
Renault	814	1,100
Rolls-Royce	1	0
Rover Group	292	266
Saab	1,480	1,460
Skoda	3,284	3,423
Subaru	612	180
Suzuki	314	443
Toyota	19,596	16,577
VW Group	13,328	10,340
Volkswagen	11,557	9,099
Audi	764	711
Seat	1,007	530
Volvo	5,873	5,411
Wartburg	697	1,071
Zastava	1,136	1,531
Others	0	132
Total	158,076	135,904

ITALY
Cars (sales)

	8 mos. 1986	8 mos. 1985
Alfa Romeo	82,199	80,124
Altre Naz	1,600	1,691
ARO	1,504	1,055
BMW	14,613	15,455
Chrysler	11	16
Daihatsu	139	115
Fiat Auto	693,140	645,406
Fiat	574,071	529,427
Lancia/ Autobianchi	118,551	115,501
Ferrari	518	478
Ford	48,796	49,534
GM-Opel	40,926	39,035
Honda	166	251
Hyundai	794	196
Innocenti	9,179	10,459
Jaguar	211	236
Jeep	553	610
Lada	793	2,484
Maserati	2,384	2,899
Mazda	21	51
Mercedes-Benz	14,113	13,541
Mini Moke	0	1
Mitsubishi	266	441
Nissan	3	35
Peugeot SA	89,808	84,701
Citroen	43,971	45,509
Peugeot/Talbot	45,837	39,192
Porsche	579	613
Renault	107,590	129,132
Rolls-Royce	22	18
Rover Group	18,290	15,481
Saab	2,499	1,703
Skoda	1,138	1,155
Subaru	87	166
Suzuki	3,208	443
Toyota	483	407
UAZ	618	583
UMM	31	28
VW Group	130,086	129,163
Volkswagen	89,596	90,142
Audi	9,455	13,273
Seat	31,033	25,748
Volvo	12,451	12,938
Total	1,278,221	1,238,166

AUCTION DATES

American Motors

Dec. 30 — Minneapolis Auto Auction, Plymouth, Minn., and Aptco Auto Auction, Taylor, Mich.

Jan. 6 — D-A Auto Auction, New Stanton, Pa.

Jan. 7 — Minneapolis Auto Auction, Plymouth, Minn., and Kansas City Auto Auction, Kansas City, Mo.

Chrysler Corp.

Jan. 6 — Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Jan. 7 — Butler Auto Auction, Gibsonia, Pa.; Columbus Fair Auto Auction, Obetz, Ohio; and Minneapolis Auto Auction, Plymouth, Minn.

Ford Motor Co.

Jan. 6 — Indianapolis Auto Auction, Indianapolis

General Motors

Jan. 6 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and 166 Auto Auction, Springfield, Mo.

Model Breakdown
Auction Averages

	DEC 1986	NOV 1986	OCT 1986
1986	$11,149	$11,299	$11,574
1985	$8,144	$8,286	$8,414
1984	$6,142	$6,186	$6,215
1983	$5,386	$5,420	$5,442
1982	$4,141	$4,190	$4,216
1981	$3,177	$3,244	$3,277
1980	$2,349	$2,387	$2,424
1979	$2,035	$2,069	$2,086
Overall Average	$5,129	$5,181	$5,196

Used Car Sales
Auction Averages

December to date	$5,129
Month ago	$5,181
Year ago	$4,559

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PRODUCTION

'86 auto output dips

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Estimated production of 7,734,489 cars in 1986 was down 3.93 from the 1985 running total of 8,050,518. Auto plants ended production for the year last Tuesday (Dec. 23).

Showing production gains this year (estimated totals) over 1985 are: New United Motor Manufacturing Inc., 193,362, more than triple last year's 58,139; Honda of America Manufacturing Inc., 233,440, up 63.99 percent from 142,349; Nissan Motor Manufacturing Co., U.S.A., 63,061, up 47.70 percent from 42,695; Ford Motor Co., 1,747,471, up 8.83 percent from 1,605,595; and Chrysler Motors, 1,284,085 up 3.30 percent from 1,243,051.

Preliminary figures indicate calendar-year production declines from 1985 for: American Motors, 48,336 down 55.68 percent from 109,082; General Motors, 4,082,387, down 14.14 percent from 4,754,916; and Volkswagen of America, 82,347 down 13.03 percent from 94,691.

With no overtime and only two working days because of the holidays, last week's targeted domestic auto production dipped considerably from the prior week's output.

Automakers' estimated build of 68,481 was down 61.54 percent from the previous week's 178,068. There was no production during the year-ago week due to the Christmas holiday.

Last week's scheduled auto output was shared as follows: GM, 53.70 percent; Ford, 26.09 percent; Chrysler, 11.97 percent; Honda, 2.91 percent; NUMMI, 2.45 percent; Nissan, 1.71 percent; and VW, 1.17.

AMC's Kenosha, Wis., plant was idle for inventory adjustment last week. The plant is scheduled to resume production Jan. 5.

1986 truck build up 2.3 percent

As production for the year ended last Tuesday (Dec. 23), the estimated domestic truck output for 1986 totaled 3,483,534, an increase of 2.25 percent over the running total of 3,406,855 for 1985.

Preliminary 1986 production increases over 1985 were reported by: Ford Motor Co. — 1,371,173 units, up 14.89 percent from 1,193,437; Nissan Motor Manufacturing Co. — 106,783, up 1.59 percent from 105,106; and GMC — 355,098, up 1.29 percent from 350,547.

Production decreases were posted by: Dodge — 150,068, down 28.59 from 210,150; Jeep — 187,917, down 18.11 percent from 229,475; Chevrolet — 1,125,441, down 2.15 percent from 1,150,231; and Navistar International — 71,788, down 0.94 from 72,476.

Assembly plants are scheduled to resume production Jan. 5.

'86 Canadian production drops

Canadian carmakers' and truckmakers' preliminary 1986 calendar-year totals fell below the running totals for 1985.

Estimated truck production for 1986 was 770,801, 8.63 percent below the 1985 total of 843,588.

Last week's two-day truck output, scheduled at 5,404 units, was 61.81 percent below the previous week's 14,149. There was no production during the year-ago holiday week.

Estimated auto production for 1986 was 1,056,145 units, 2.68 percent below the 1,085,209 completed in 1985.

Production of 9,797 cars last week was 60.65 percent below the previous week's 24,896.

General Motors' Ste. Therese, Quebec, plant will be idle for inventory adjustment the week of Jan. 5. The plant will resume operations Jan. 12.

Output at all other assembly plants is scheduled to resume Jan. 5.

CANADIAN CAR	Week Ended Dec. 27, 1986	Week Ended Dec. 28, 1985	Week Ended Dec. 20, 1986	Dec. Est.	Jan. 1 to Dec. 20, 1986	Jan. 1 to Dec. 27, 1986
AMERICAN MOTORS	0	0	0	244	11,302	4,359
FORD MOTOR	4,852	0	10,916	37,854	494,215	520,304
GENERAL MOTORS	4,831	0	13,755	44,375	569,842	521,498
VOLVO	114	0	225	789	9,850	9,984
Total Cars, Canada	9,797	0	24,896	83,262	1,085,209	1,056,145

U.S. TRUCK☆	Week Ended Dec. 27, 1986	Week Ended Dec. 28, 1985	Week Ended Dec. 20, 1986	Dec. Est.	Jan. 1 to Dec. 20, 1986	Jan. 1 to Dec. 27, 1986
CHEVROLET	8,189	0	17,677	65,881	1,150,231	1,125,441
DODGE	1,800	0	5,200	19,233	210,150	150,068
FORD	13,434	0	33,586	110,193	1,193,437	1,371,173
GMC	2,946	0	7,365	25,055	350,547	355,098
NAVISTAR	648	0	1,624	5,500	72,476	71,788
JEEP	1,500	0	4,190	13,914	229,475	187,917
NISSAN	692	0	1,750	5,893	105,106	106,783
AM GENERAL*	20	0	50	170	2,480	2,474
MISCELLANEOUS*	920	0	2,300	7,820	92,953	112,792
Total Trucks, U.S.	30,149	0	73,742	253,659	3,406,855	3,483,534

CANADIAN TRUCK	Week Ended Dec. 27, 1986	Week Ended Dec. 28, 1985	Week Ended Dec. 20, 1986	Dec. Est.	Jan. 1 to Dec. 20, 1986	Jan. 1 to Dec. 27, 1986
AMERICAN MOTORS	0	0	0	967	0	27,147
CHRYSLER	2,988	0	9,214	30,527	390,024	399,148
FORD	1,520	0	3,080	10,263	160,567	145,822
GENERAL MOTORS	816	0	1,657	4,875	282,115	189,337
NAVISTAR	80	0	198	680	10,882	9,347
Total Trucks, Canada	5,404	0	14,149	47,312	843,588	770,801
N. American Trucks	21,553	0	87,891	300,971	4,250,443	4,254,335

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Dec. 27, 1986	Week Ended Dec. 28, 1985	Week Ended Dec. 20, 1986	Dec. Est.	Jan. 1 to Dec. 20, 1986	Jan. 1 to Dec. 27, 1986
AMERICAN MOTORS	0	0	0	1,492	109,082	48,336
Renault Total	0	0	0	1,492	109,082	48,336
Alliance	0	0	0	1,492	72,443	44,989
Encore	0	0	0	0	36,639	3,347
CHRYSLER MOTORS	8,200	0	23,805	84,070	1,243,051	1,284,085
Plymouth Total	3,100	0	8,719	31,781	392,941	417,408
Horizon	1,200	0	3,354	12,413	140,441	170,099
Sundance	700	0	2,050	7,497	0	36,144
Reliant	900	0	2,505	9,086	159,437	149,621
Caravelle	300	0	810	2,805	48,189	43,958
Gran Fury	0	0	0	0	14,894	17,556
Chrysler Total	1,800	0	5,076	18,406	403,143	365,249
Laser	0	0	0	0	50,972	26,978
LeBaron	400	0	1,266	4,901	94,670	83,510
LeBaron J Coupe	400	0	1,321	2,820	0	2,820
LeBaron GTS	300	0	883	3,424	93,032	62,251
New Yorker/E-Class	500	0	1,606	5,261	63,277	72,291
Fifth Avenue	0	0	0	0	104,192	117,399
Dodge Total	3,500	0	10,010	35,883	472,967	501,428
Daytona	200	0	651	2,143	46,754	32,963
Omni	1,200	0	3,096	11,592	134,803	161,734
Shadow	600	0	1,820	6,716	0	34,480
Aries	900	0	2,621	9,067	133,087	125,066
Dodge 600	400	0	1,142	3,774	65,253	63,727
Lancer	200	0	680	2,591	63,820	47,375
Diplomat	0	0	0	0	30,250	36,083
FORD MOTOR†	17,865	0	44,662	146,400	1,605,595	1,747,471
Ford Division	12,449	0	31,118	102,107	1,076,410	1,210,516
Escort	3,736	0	9,344	27,631	336,382	374,650
EXP	0	0	0	0	3,838	0
Mustang	1,794	0	4,484	14,845	181,978	177,623
Tempo	2,159	0	5,397	17,169	185,649	196,666
LTD	0	0	0	0	180,724	0
Taurus	3,770	0	9,424	34,005	12,075	330,304
Thunderbird	966	0	2,469	8,457	166,842	131,273
Crown Victoria	0	0	0	0	7,122	0
L-M Division	5,416	0	13,544	44,293	529,185	536,955
Mercury Total	3,789	0	9,474	29,829	369,000	356,366
Lynx	578	0	1,446	4,488	73,877	59,991
Capri	0	0	0	0	19,765	12,344
Topaz	393	0	983	3,620	53,626	56,852
Cougar	1,475	0	3,686	10,813	127,836	101,736
Marquis	0	0	0	0	83,451	0
Sable	1,343	0	3,357	10,908	5,682	125,443
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	1,627	0	4,070	14,464	160,185	180,589
Continental	163	0	408	1,450	24,862	19,384
Lincoln	1,221	0	3,053	10,850	117,619	135,448
Mark VII	243	0	609	2,164	17,704	25,757
GENERAL MOTORS	36,773	0	94,011	302,361	4,754,916	4,082,387
Buick Total	7,532	0	18,248	59,094	983,450	786,586
Skyhawk	745	0	2,076	4,591	109,298	81,304
Century	2,109	0	5,404	18,910	292,500	229,128
Regal	634	0	1,510	5,636	133,740	59,692
Skylark (X-car)	0	0	0	1,490	43,477	0
Somerset/Skylark	965	0	2,965	7,706	115,337	111,375
LeSabre (fwd)	1,860	0	3,164	10,724	9,770	154,070
LeSabre/Electra (rwd)	142	0	368	1,214	96,066	15,001
Electra (fwd)	730	0	1,857	6,190	135,395	89,967
Riviera	347	0	904	2,633	47,867	26,049
Cadillac Total	3,049	0	7,679	26,358	319,758	316,091
Cimarron	158	0	303	1,196	26,265	22,971
Allante	16	0	5	53	0	53
Brougham (rwd)	624	0	1,583	5,187	39,447	75,175
DeVille (fwd)	1,606	0	4,103	15,059	172,361	170,235
Eldorado	247	0	841	2,592	53,140	25,217
Seville	398	0	839	2,271	28,525	22,440
Chevrolet Total†	12,332	0	31,060	96,763	1,601,221	1,294,928
Chevette	1,048	0	2,621	9,168	152,208	105,578
Camaro	1,390	0	3,475	8,248	210,428	170,649
Cavalier	3,878	0	9,697	25,908	482,862	389,715
Celebrity	2,400	0	6,225	20,506	260,708	257,599
Citation	0	0	0	0	28,699	0
Corsica/Beretta	610	0	1,526	6,450	0	14,616
Monte Carlo	690	0	1,726	6,373	135,935	108,427
Chevrolet	2,056	0	5,140	17,896	282,796	220,361
Corvette	260	0	650	2,212	45,454	27,983
Oldsmobile Total	6,622	0	17,179	57,421	1,150,328	916,776
Firenza	339	0	692	1,866	61,165	37,666
Calais	1,036	0	3,174	9,863	147,462	118,899
Cutlass Ciera	1,822	0	4,524	15,433	349,221	234,475
Cutlass Supreme	318	0	854	3,790	230,615	106,038
88 (fwd)	1,720	0	4,240	14,977	23,449	269,557
98 (rwd)	192	0	577	1,533	168,594	18,916
Olds 98	948	0	2,492	8,090	140,767	112,546
Toronado	247	0	626	1,869	29,055	18,679
Pontiac Total	7,238	0	19,845	62,725	700,159	788,006
Acadian*	0	0	500	1,867	16,692	16,772
Fiero	712	0	1,817	6,072	112,139	68,656
1000	192	0	572	1,931	34,949	21,049
Firebird	820	0	2,022	4,892	111,950	103,905
2000 Sunbird	894	0	2,240	6,266	139,072	128,707
Grand Am	2,020	0	6,205	19,411	139,928	229,202
6000	1,090	0	2,844	9,696	57,020	132,378
Bonneville	1,360	0	3,269	11,516	0	37,400
Safari/Parisienne	150	0	376	1,274	88,409	49,937
HONDA	1,995	0	6,585	21,825	142,349	233,440
Civic	405	0	1,675	5,311	0	20,498
Accord	1,590	0	4,910	16,514	0	212,942
NISSAN	1,168	0	2,954	9,894	42,695	63,061
NUMMI†	1,680	0	4,028	13,693	58,139	193,362
Corolla	440	0	1,073	5,425	0	12,107
Nova	1,240	0	2,955	8,268	0	181,255
VOLKSWAGEN	800	0	2,023	4,849	94,691	82,347
Golf/GTI	550	0	1,773	4,099	0	61,197
Jetta	250	0	250	750	0	1,150
Total Cars, U.S.	66,481	0	178,068	584,584	8,050,518	7,734,489
Total Cars, Canada	9,797	0	24,896	83,262	1,085,209	1,056,145
N. American Cars	78,278	0	202,964	667,846	9,135,727	8,790,634
N. American Trucks	35,553	0	87,891	300,971	4,250,443	4,254,335
North American Cars and Trucks	113,831	0	290,855	968,817	13,386,170	13,044,969

*—All Acadians are built for sale in Canada. Monthly estimates may contain error of one or two units due to rounding.
†—Last week's production was estimated by Automotive News.

Gray market wins a bit in Texas case

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Texas law regulating titling of gray-market vehicles has been upheld, for the most part, by the Fifth Circuit Court of Appeals in New Orleans.

The court said direct importers no longer have to obtain EPA documents. But they still must have Department of Transportation approval of the vehicle's safety compliance, and they must have a letter from DOT to the U.S. Customs Service releasing the vehicle from bond before they can secure a title to the vehicle.

While the appeals court decision is not exactly what the gray-marketers wanted, a NHTSA spokesman told Automotive News that the approval process now takes only 1-2 weeks. In the past, a delay of several months by DOT was common.

A spokesman for the Automobile Import Compliance Association said the shorter wait is, in part, because gray-market imports have dwindled to about 1,000 a month because of less-favorable foreign exchange rates.

The Direct Automobile Imports Association, the Texas gray-market organization, challenged the Texas law in June 1985. For issuance of a title, the law required approval from EPA for compliance with emission standards and a bond-release letter as well as parallel documents from DOT.

The association said the Texas law was invalid because both the Clean Air Act and the vehicle safety law pre-empted state law. In addition, it charged that the Texas law violated the commerce clause of the U.S. Constitution by interfering with interstate commerce.

Gray-market vehicles are those not originally intended for sale in the United States and imported either by agents or consumers directly. Federal regulations require that they conform to safety and air-pollution standards before they can be sold and titled. The importer must post a bond in an amount at least equal to the vehicle's value before making any changes.

EPA requires testing by a laboratory "recognized" by EPA before it will release the gray-market vehicle from the Customs Service. DOT requires an approved statement of compliance before it will release the vehicle from bond.

The gray-market group won a federal district court decision which said state law was pre-empted by both the air pollution and the safety laws. Since that was enough to grant a preliminary injunction, the court never decided the constitutional question.

The three-judge appellate court has now agreed in part and has sent the case back to the lower court to lift the preliminary injunction. It ruled that the Clean Air Act clearly pre-empts state law, but found the Texas law is not pre-empted for safety standards.

In the unanimous opinion, Judge E. Grady Jolly said the Texas law "does not require importers of gray-market automobiles to take any steps that federal law did not already require them to take."

A similar case involving a Florida gray-market law brought by the individual importer and the Florida Import and Compliance Association is pending.

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61st year—$50.00 per year, $1.25 per copy

800,000 drop seen in domestic sales

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A flat economy and more import buying in 1987 will wipe out 800,000 sales of U.S.-built cars, the U.S. Commerce Department forecasts.

Commerce's annual economic report said sales of U.S.-built cars will decrease by about 10 percent this year to 7.05 million units, compared with estimated 1986 sales of 7.85 million.

U.S. Auto Sales Estimates, 1986-1990
(Thousands of vehicles)

Year	Domestics	Imports	Total	Import share (%)
1986	7,850	3,105	10,955	28.34
1987	7,050	3,650	10,700	34.11
1988	7,025	3,875	10,900	35.55
1989	7,110	3,990	11,100	35.95
1990	7,135	4,165	11,300	36.86

Source: U.S. Department of Commerce: International Trade Administration, estimates and forecasts by ITA.

Imported cars will capture 34 percent of the market in 1987, up from the 28 percent share they won in 1986, the department estimated. The import prediction is 3,650,000 in 1987 vs. 3,105,000 in 1986.

The forecast said total new-car sales in the U.S. will dip to 10,700,000 in 1987 from 10,955,000 in 1986.

The Commerce Department forecast is based on the assumption that U.S. economic growth will continue at current levels in 1987, that interest rates will remain at or below present levels, that there will be only a modest increase in fuel costs, and that the Japanese government's restraints on car exports to the United States will be eliminated March 31, 1987.

The department said the new-car sales outlook for the rest of the decade is more favorable. Sales will increase to 10.9 million in 1988, rise to 11.1 million in 1989 and reach 11.3 million in 1990, the department said.

Sales of domestic-built vehicles will firm up over the longer term but will continue to lose market share to imports, the department believes. Sales of U.S.-built models should be 7,025,000 in 1988, 7,110,000 in 1989 and 7,135,000 in 1990, the department said.

The government analysis attributes the future stability of sales of U.S.-built cars to new U.S. capacity being added by both U.S.-owned and foreign-owned firms. Much of the new capacity being added is either Japanese-owned or joint

see FORECAST, page 39

AUTOMOTIVE NEWS JOE WILSSENS

Dealers from across the country said December sales gains were typically about 20 percent

BOOM: *Year-end tax writeoff is top reason for December's busy showrooms*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

When the time comes to hand out credit for the triumphs of 1986, the nation's auto dealers may be obliged to send thanks to the writers of the new U.S. tax code.

Dealers expected the loss of certain tax breaks after 1986 to set off a flurry of year-end buying. And judging by responses from those interviewed by Automotive News last week, most dealers weren't disappointed.

"I hope December doesn't end," said Jack Rockwell, owner of Whittier Chrysler-Plymouth in Whittier, Calif. "This is the best December I've ever had, and I've been in this business for 25 years."

Rockwell said he expected to sell more than twice as many cars in the month as he did in December 1985. And while other dealers couldn't match his performance — and some in fact were discouraged by their sales numbers — those who prospered in December said the new tax law had much to do with their success.

Dealers from across the country said they expected to see December sales range from flat to Rockwell's 100-plus-percent increase, with gains typically in the 20 percent range.

To car shoppers, the logic behind buying was simple. If they were ready to spend $25,000 on a new car and lived in a state with a 7 percent sales tax, they could trim $1,750 from their 1986 taxable income if they bought before Jan. 1, 1987 — when the writeoff disappears. Other provisions of the tax law, such as reduced interest deductions and extended depreciation schedules, also provided incentives to buy before the year ended.

Like other dealers, Rockwell said most of his sales were concentrated in his top-of-the-line

see BOOM, page 38

Chevrolet Corsica price set at $8,995

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet introduced its most important cars since 1955 last week, and division officials believe the Corsica and Beretta are priced to capture at least 500,000 buyers a year.

The base price of the Corsica sedan is $8,995; the base price of the Beretta coupe is $9,555. The cars went on sale Jan. 2 and were displayed at the Los Angeles auto show, which opened Jan. 3.

Robert D. Burger, Chevrolet general manager, called the Corsica and Beretta as important to the future of Chevrolet as the 1955 Chevy was to its generation. The 1955 Chevy was a completely restyled model with the division's first V-8 engine.

"Corsica and Beretta are more than just two new cars," Burger said in prepared remarks. "They are Chevrolet's statement of how the customer has redefined the compact car."

In terms of price, the new models, exclusive to Chevrolet, fall between the Cavalier and Celebrity in the division's product line. The division considers the models compacts, which fill a void left from the discontinuance of the publicity-plagued X-car, the Citation.

"We're confident these prices put Corsica and Beretta in a good competitive position against both the domestic and imported compacts," Burger's Los Angeles remarks said.

see CHEVROLET, page 38

Levy on Renault

New chief says company must play by world rules

By Jean-Jacques Renaux
SPECIAL CORRESPONDENT

BRUSSELS, Belgium — Following the lead of his assassinated predecessor, new Renault Chairman Raymond Levy believes the state-owned French automaker must live by the rules of a competitive world industry.

"There is no choice for Renault," Levy told Automotive News in an exclusive interview, his first since succeeding Georges Besse at the Renault helm. "Being in the free market, Renault will succeed by playing by the rules of the game or it will not succeed. There is no alternative."

Levy, cleaning up loose ends at his old job in Belgium before moving to Renault in Paris, was responding to questions about the possible privatization of all or part of Renault — an idea given greater credibility by recent remarks on French national television by Industry Minister Alain Madelin, who contends it is not the job of the state to build cars.

But after only a few days at Renault, Levy was reluctant to make any specific pronouncements about how he will run the group and its North American affiliates, American Motors and Mack Trucks.

One thing was strikingly clear, however. Levy's answers to questions about his business philosophy reiterated what many had believed — that he is a man in the mold of his old friend Besse, who was assassinated in Paris Nov. 17.

JEAN GUYAUX

Levy: A man in the mold of his old friend, former Renault Chairman Besse

The new chairman would not be drawn into specific issues, saying, "I cannot talk about it so soon, I don't know the company well enough. . . . Don't forget, I have spent only 48 hours at Renault so far. It's not much, two days' work."

It had taken less than 48 hours after Besse's death for Madelin to contact Levy in Brussels, and ask whether he would become head of the troubled car group.

see LEVY, page 39

Honda adding automation to hike efficiency

By Richard Feast
AUTOMOTIVE NEWS STAFF REPORTER

Honda Motor Co. is well advanced with a program designed to triple the company's production efficiency in just over two years.

By adding greater automation in the area of final assembly and creating a more flexible production system, Honda officials believe the automaker will also be able to lift capacity without increasing the number of people it employs.

All Japanese exporters are having to review their strategies in the wake of the strengthening yen. Honda, which derives almost 70 percent of annual revenues ($16 billion in 1986) from overseas sales, believes the yen could rise to 120 to

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Oil slump perils Okla. dealerships

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Dealers in Oklahoma, where the economy has been wracked by sagging oil prices and continuing farm troubles, may seek help from the automobile manufacturers whose cars they sell.

W. C. "Mac" McCullough, an Ardmore, Okla., Cadillac dealer and National Automobile Dealers Association director, said NADA will conduct a dealer survey on business conditions in the state. The results will help dealers decide what to do — and that might include soliciting financial help from manufacturers.

The dealers especially need help with the cost of floorplanning and insurance, McCullough said.

"Business has been horrible here," McCullough said, adding that he sees little promise for improvement in 1987.

"We're afraid," he added. "It doesn't look too good."

Dealers in Oklahoma, as well as those in neighboring oil-producing states, say Oklahoma is in the worst economic shape of any area in the country. Low oil prices have put a halt to oil drilling, which has caused high unemployment, bank collapses and bankrupt businesses. All of that is in addition to the poor economic condition of the state's farmers.

"It's a double whammy for us," said John Conner, executive vice president of the Oklahoma Automobile Dealers Association.

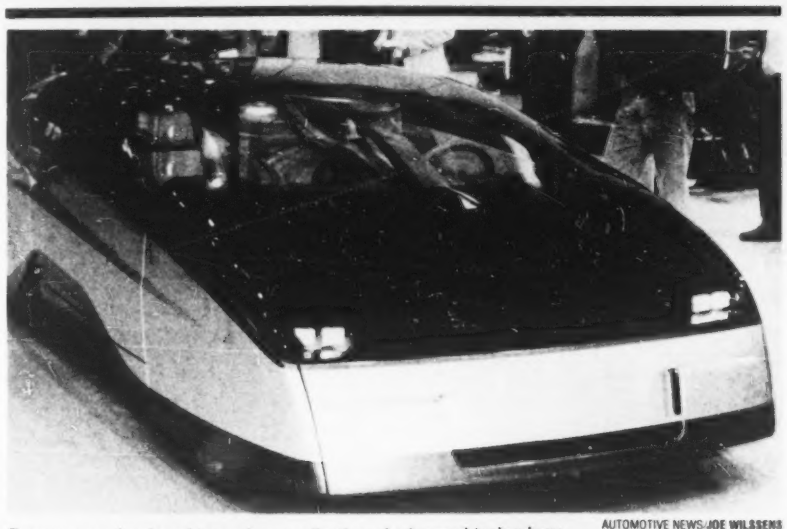
Some Oklahoma dealers have sold out to larger, stronger dealerships; others have simply closed their doors and a few have filed for bankruptcy, he said. The state dealer association lost 8 percent of its membership in 1986. Membership totals 370 dealers, down from an all-time high of 515 12 years ago.

Conner said the fleet business is virtually gone and small towns have been especially hard hit. He mentioned one town that until recently had seven car dealers and a truck dealership. Today, the truck dealership is gone, and the car franchises have been consolidated into three dealerships.

Even dealers in neighboring Texas, similarly troubled by the slumping oil business, say Oklahoma is in worse shape.

Walter Wainwright Jr., president of the Houston Automobile Dealers Association, said 1986 car sales in Houston were off 20 percent from 1985. But dealerships are not closing and new points have opened, primarily for new makes such as Hyundai, Acura and Yugo.

As in Oklahoma, there has been consolidation of dealerships in Houston. Almost 10 percent of the association's 160 dealerships have changed hands in the last year, Wainwright said.



AUTOMOTIVE NEWS/JOE WILSSENS

Express was developed to explore application of advanced technology

The Chevy of the future?

Express concept car designed for inter-city trips

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet will display the Express, a new research vehicle designed with high-speed travel between major metropolitan areas in mind, at this week's Detroit Auto Show.

The Express offers a glimpse of what Chevrolet thinks the car of the future might be like and what General Motors engineers must work on to build the Chevy of the future.

The Express will serve as a research vehicle to explore the application of advanced technology including expanded use of electronics, new structural techniques, advanced aerodynamics and new powerplant technology.

The idea for the Express was hatched in 1983 when GM decided to take a look at the viability of a high-speed vehicle for travel between metropolitan areas. GM wanted to expand the concept of high-speed air and rail travel by building a vehicle that could provide long-range travel as well as personal mobility once a person arrived at a destination.

GM decided its vehicle would cruise at a maximum speed of 150 mph and get 25 mpg. GM engineers figured such a future vehicle would probably operate in a limited access lane or on a separate high-speed roadway.

To meet those speed and mileage requirements, it was decided that the Express had to be aerodynamic and would be powered by an automotive gas turbine engine, which runs most efficiently when operating at a constant speed.

GM designers and engineers also decided that car-buying trends into the next century would show continued popularity of four-passenger vehicles.

Within those guidelines, the car was designed by the GM Advanced Concept Center in California and engineered by the Chevrolet-Pontiac-Canada Group's Advanced Engineering Department. Other GM units, including Electronic Data Systems and Hughes Aircraft, also helped in the development.

AUTOMOTIVE NEWS/JOE WILSSENS

Express' drag coefficient: 0.19

Advanced technology featured on the Express includes low-drag aerodynamics, with a drag coefficient of 0.19; body construction using new materials and architecture; a powertrain system that includes a turbine engine with unique exhaust characteristics, a specially designed transmission and unusual downforce characteristics; electronics including monitor displays for a view of what is behind the car, navigation system, keyless entry system, advanced lighting systems and convenience features; and a unique chassis configuration with a greenhouse canopy roof.

Chevrolet said that consumers won't likely see a turbine-engined Chevrolet in their local showroom soon, many of the concepts and systems being evaluated in the Express will be incorporated into Chevrolet products of the near future.

GM's Pontiac division also will unveil a new concept vehicle at the Detroit Auto Show but no details on the vehicle have been revealed. At last year's Detroit show, Pontiac introduced the Trans Sport, a people mover with car and van characteristics.

Job security

50 years after victory at GM, UAW looks ahead to '87 talks

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The UAW is looking back and looking ahead in these early days of 1987.

It is looking back as it marks the 50th anniversary of the sit-down strike at the Fisher Body plant in Flint, Mich., that won the union its first contract with General Motors and opened the door to agreements with all the automakers.

It is looking ahead as it prepares for the 1987 negotiations with GM and Ford Motor Co. — negotiations that are not likely to be marred by the violence of the 1930s, but talks that are every bit as important to the future of the union.

The major auto industry strikes and bargaining since the sit-down strike have won workers unprecedented gains. But a half-century after the Flint strike, the union again fears the rug could be yanked from under it. The UAW has reaffirmed that job security will be its top priority in the 1987 talks.

That means addressing the mushrooming problems of plant closings, outsourcing and subcontracting, and winning a stronger voice in the automakers' planning and decisions. UAW President Owen Bieber, who is a director of Chrysler Corp., has said that the union will seek representation on the GM and Ford boards as well.

Profit-sharing will be on the agenda and wages and benefits won't be ignored. But the major issue will be job security.

Sidney Fine, University of Michigan historian and author of "Sit-down," a study of the milestone Flint strike, said, "You could argue that job security and having some say in the company were issues from the beginning."

He said that in 1937, the union's demands for a seniority system and grievance procedures were attempts to achieve job security.

Fine said job security was further assured in early bargaining when automakers were forced to agree that "women couldn't be fired for not sleeping with the foreman."

Though the union wanted a say in working conditions, Fine said, it was content to let managers run the plants during the postwar boom years — in exchange for good wages and benefits.

"Once the industry began to recede — and I mean heavy industry in general — unions became unhappy with management" and wanted a voice in running the company, he said.

Since the formation of the union in 1936, the strike has been a key weapon in the UAW's strategy.

The historic Flint strike was kindled in the summer of 1936, when the UAW began organizing efforts in Flint. The auto workers had been thwarted in earlier attempts to organize GM plants.

At that time, Flint was "the heart of the GM empire," according to Warner W. Pflug, author of a history of the UAW.

The strike began at Fisher Body Plant No. 1 Dec. 30, 1936, when workers sat down and halted the shipment of dies to other areas. GM believed moving the dies would keep production going in the event of a strike in Flint.

Ten other plants eventually joined the strike, either through sit-downs or walkouts, and by Jan. 13, 1937, more than 112,000 of the company's 150,000 production workers were on strike.

The union secured Chevrolet Plant No. 4 in Flint — a vital facility — on Feb. 2, and on Feb. 11, 1937, GM agreed to a settlement that recognized the UAW as the representative of GM employees who were members. GM also agreed not to discriminate against union members and to rehire all strikers.

On March 12, 1937, a general agreement was signed that included a grievance procedure and layoff, trans-

see UAW, page 37

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61st year—No. 5161

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Iacocca predicts good year despite earnings decline

Chrysler Corp. earnings will decline in 1987, but the automaker still expects profits to average at least $1 billion annually through the end of the decade.

"I don't see how we could do less than a billion dollars a year after taxes unless the roof caves in," said Lee A. Iacocca, Chrysler chairman, in published interviews last week.

Iacocca said model changeovers at two Chrysler plants during the first quarter, plus a potential 8-10 percent drop in industry car and truck sales could force 1987 profits below 1986's projected results.

The company also is expected to post 1986 earnings somewhat lower than its 1985 profit of $1.64 billion, but Iacocca said 1986 still was "a very, very good year."

Iacocca said Chrysler's long-term goal is to increase its share of the new-car and light-truck market to 15 percent from about 12 percent currently, but he added that the company's profit goals do not hinge on gaining market share. No dramatic increase in Chrysler's market penetration is expected near-term.

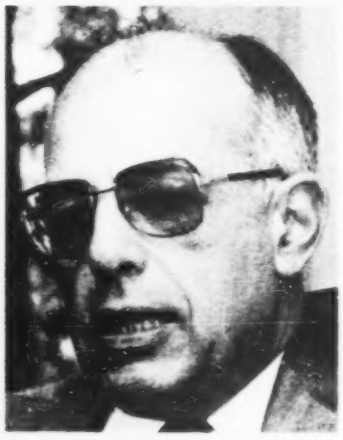
"Our market share will be fairly stagnant, about 12.5 percent of the combined car and truck market (in the United States and Canada)," Iacocca was quoted as saying. "But we are counting a lot on (profit) margin improvements."

Chrysler will introduce several new higher-profit models next year, including its LeBaron coupe and convertible, stretched minivans, C-body full-size cars and the Maserati luxury coupe.

The automaker will spend an average of $2.5 billion annually on capital improvements and new products during the next five years, Iacocca said. The biggest share of the budget will go for new light-truck programs.

Iacocca said Chrysler is continuing to look for a medium-sized composite materials or electronics company it could purchase for about $1 billion.

A decision on whether to build the Omni/Horizon at American Motors' Kenosha, Wis., plant or scrap the small cars must be made by Jan. 30, 1987, he said.



"The most important thing now is that Renault doesn't become content because it may have got back to the break-even point."

"For me, a state-owned group must be run just like a private company."

"I believe that, if it had been possible to find a successor to Georges Besse among Renault's management, it would have been better."

JEAN GUYAUX PHOTOS

LEVY

FROM PAGE 1

As Levy was tied by a five-year contract with the Belgian government to head the steel group Cockerill-Sambre, it eventually took four weeks before he could actually be named the new Renault boss.

But the minister's choice had been quick, and he stuck to it in spite of the delay caused by the negotiations with the Belgians.

The French administration had two priorities: First, Renault urgently needed a new driver at the wheel, as the car group was left in the middle of a critical turnaround, and secondly, it seemed important that the new man should be in line with Besse's driving style.

And after Levy spent his first day's work at Renault, having interviews with each of the company's 10 directors, one of them reportedly said, "He talks just like Besse!"

But, at this stage, what does Levy think of the quality of the Renault recovery engineered by Besse?

"It is obvious, there is no doubt about that," Levy said. "I know what Besse did at Renault. It is remarkable.

"The most important thing now is that Renault doesn't become content because it may have got back to the break-even point. It is my opinion that a state-owned industry, if it wants to fill any duty, has to make the same kind of profit as any private industry — even more so in a free market like the car market. Then you can talk about some social mission, but not before."

Besse had made the tough decisions to sell Renault assets and idle its workers so he could get out of the red and compete profitably. And there were rumors throughout last fall that all of part of Renault could be for sale — especially overseas stakes such as its 46 percent holding in American Motors.

During Levy's meetings with Madelin, was there any mention of the possible privatization of Renault?

"I don't wish to answer this kind of question," Levy said. "First, if there was any mention of it, I wouldn't tell you. So it would be dishonest to let you ask."

In answer to a question about whether he has a personal opinion about privatization, Levy said, "I have got a personal opinion, which is personal, and I have no opinion about those matters related to Renault."

Madelin had said earlier on French TV that it was not the part of the state to make cars.

Levy's response was, "I will not tell you whether I share this view or not. Mr. Madelin represents my shareholders. Thus, it is up to him to say what kind of policy he wants the management of Renault to follow.

"What I can tell you is this. For me, there is only one difference, at this stage, between a state-owned company and a private one. It lies in who owns the equity. For me, a state-owned group must be run just like a private company. I never experienced it any other way.

"The first, essential, unique goal, I think the No. 1 priority, is to live up to the rules of a competitive industry."

But will it not be a handicap that Levy must take time to learn the auto business at a time of such heavy competition?

"I think so, yes," he said. "I believe that, if it had been possible to find a successor to Georges Besse among Renault's management, it would have been better. But the government judged it was not possible, so I can only note it down."

But Levy indicated he could be helped in his study of Renault by a soon-to-be-delivered report on the company by Booz Allen & Hamilton, the U.S. management consultants, who Besse had called in a few weeks before his assassination.

Besides that, when a manager gets a new assignment like Levy at Renault, how does he proceed? What are the very first steps?

"At Renault, I spent my first day meeting for an hour with every director separately, to hear about their business, listen to their opinion about the company and what I should do first, and get the basic documentation that I'm about to review in detail," Levy said.

"I sure would like to go to the shopfloors and in the field too, if the diary of Renault's president allows for it."

People who had business relations with Levy like to describe him as a self-assertive man, but also as someone very accessible, straight and easy to talk with, a good communicator. He does not mind answering the telephone personally.

Regarding management, he admits to liking some kind of group deliberation, "because this helps to secure some unity of thinking at the director level. I think this is very important."

But that does not mean leaving problems to drag along within committees.

"The boss remains alone to take the final decisions," Levy said.

As an oil industry manager Levy had many links with Renault, including the sponsorship of Renault's Formula 1 auto racing team, and then as a supplier and technical partner at steel company Usinor.

Levy knows something else about his new company. He was a Renault customer for many years. He owns two Renault 5s, one at his Brussels apartment and one at his home in Vaucresson, an elegant suburb to the west of Paris (only minutes away from Renault's headquarters). Between these places, he used to drive his own Renault 25 Limousine.

"I must be the first president of Cockerill who doesn't drive a Mercedes," he said.

Raymond Haim Levy was born in Paris in 1927, the son of a sales executive. In 1946 he attended the Ecole Polytechnique. Then he spent one year learning nuclear physics at the Massachusetts Institue of Technology, from which he brought back a masters degree in science.

"I felt I was cut out to be a physicist," Levy said. "But when I came back to France, I found there was no opening for such a career. Nobody seemed to care about a physicist. I'd had a proposal to stay in the U.S. with the university, but I had declined it."

So Levy resumed his normal studies at the Ecole des Mines. That was where he met Besse, who was to become a friend.

He started his professional career much the same way as Besse. Two years in the coal mining industry, then two years in a public administration in the south of France. In 1957, Levy entered the state-owned oil industry, where he was to spend 23 years, ending with the position of vice president and chief executive of Elf-Aquitaine. He quit in 1980, after being asked to by a new chief executive with a different management style.

In 1981, Levy gained an appointment in the steel industry. One year later, the newly elected socialist government gave him the top job at Usinor, one of France's troubled steel groups. Levy devised a restructuring plan that was eventually to be applied. But in 1984 the government did not renew his contract.

"Let us say that the government decisions regarding the steel industry, in '84, were in line with what I had publicly advocated, on every point," Levy recalled. "But these decisions were against the will of the then-Minister of Industry, Laurent Fabius, probably against the will of one of the President's personal advisers, and against the will of the rival Sacilor steel group's president, too. My contract was legally subject to renewal at the time. I'd say that there was a political row against me. That was it."

After the Usinor coup, he was offered a similar job as head of a foreign steel group, Cockerill-Sambre in Belgium, which was in about the same financial problems as Usinor. He accepted.

"The diagnostic job had been done, and well done, by Jean Gandois, before I came," said Levy. Gandois headed the Belgian group for five years before handing command to Levy and going to the French aluminum group Pechiney — the very same group that Besse had turned around before going to Renault. Gandois was an active candidate for the chair at Renault last month.

But it was Levy who prevailed. And his mark should start to show at Renault in the coming months.

FORECAST

FROM PAGE 1

ventures involving the Japanese. Most of those plants are expected to come on line in 1988.

Imported cars will continue to make big gains in the U.S. market through the rest of the 1980s, the Commerce Department said. The coming year will be especially good for imports.

The department said actual sales during the next four years will be influenced by the construction of foreign-owned vehicle plants that will add "more capacity in the United States than is warranted." The plants being built by foreign companies are expected to have a combined capacity of between 1.5 million and 2 million units by 1990, the study said.

Those additions to domestic capacity and the introduction into the U.S. market of vehicles imported from such countries as Australia, Brazil and Taiwan, which previously did not market vehicles in the United States, are likely to result in considerable price pressure across much of the industry as manufacturers compete for market share, the department said.

"Eventually, however, a rationalization of overall capacity will stabilize the industry," the report said. That may mean plant closings or other consolidations within the industry.

The government said the light-truck and van market is expected to grow by 138,000 sales in 1987, up from estimated 1986 sales of 4,600,000 million. The projected 4,738,000 sales for 1987 will increase to 4,846,000 in 1990, according to the Commerce Department estimate.

With regard to the financial position of the U.S. industry, the Commerce Department said the balance sheets of all the "traditional" U.S. automobile manufacturers, with the exception of American Motors, have "improved markedly" since the recession of the early 1980s.

Profits in 1986 were below the levels of the last two years, however, because of the cost of manufacturer's marketing incentives.

The department added that U.S. manufacturers are expected to remain profitable during 1987, but their profit margins will be under pressure "if they are required to continue using marketing incentives to defend their market shares."

In 1986, consumer demand for subcompact cars rebounded, the Commerce Department noted, "partly because of domestic manufacturer promotions and the introduction of new import models."

HONDA

FROM PAGE 1

the dollar, compared with 165 now and over 200 one year ago.

To remain a major force in export markets and to hold its own in the very competitive domestic market, Honda set out the goals of its efficiency drive in the fall of 1985. The complete overhaul of its Suzuka and Sayama factories, together with a review of the whole parts supplier network, is due for completion in February 1989.

Honda has been quietly implementing the new production technology, but the existence of the so-called "Plan for Tripling Production Efficiency" became known only at the end of 1986 when mentioned in the Japanese press. Honda officials confirmed many of the details last week.

At the same time, production levels and local content at the Marysville, Ohio, plant are steadily increasing. Marysville is not part of the plan, but will benefit over the longer term from the developments, a Honda source said.

U.S. production this year will increase to 320,000, compared with just over 230,000 in 1986. It will reach a level of 360,000 in 1988. The following year, local content will have risen from the present 50 percent to 66 percent.

Honda officials stress that, despite the plan's title, production will not treble by the end of the decade. Instead, it will give Honda the flexibility to produce many different models on the same assembly line so that it can react quickly to market demands. It may also result in Honda buying more built-up components from suppliers.

But the company concedes that the new systems will substantially increase the potential capacities at Suzuka and Sayama. "We could increase production. It would depend on market demands," said one official.

At the end of August, Suzuka was producing at an annual rate of 582,800. At Sayama, the level was 508,400. Despite difficult trading and market conditions the company was managing to sell all the models it could produce.

Much of the reorganization at Suzuka will be completed this spring, when Honda will be capable of producing seven models on one production line: Civic and Integra in three-door, four-door and five-door forms and CR-X.

While company officials deny Japanese reports that as much as 80 percent of final assembly will be automated, the level will clearly be very high.

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'87 forecast: U.S. growth slow, steady

The verdict is unanimous. Economists for General Motors, Ford Motor Co., Chrysler Corp., Dana Corp., Eaton Corp. and Chase Econometrics say the U.S. economy in 1987 will be similar to that of 1986, with slow but steady growth.

As far as the auto industry goes, these corporate money-minds predict strong sales of new vehicles, but weaker than last year — more on the order of 15 million units in 1987, compared to 16 million in 1986.

Interviewed for the Automotive News Economic Forecast '87 Extra in this issue, all of the economists expect slow U.S. economic growth in 1987. Most believe the first half of the year will be sluggish as tax reform takes effect, but will pick up in the second half.

Those interviewed included: David C. Munro, GM; John V. Deaver, Ford; Donald P. Hilty, Chrysler; William F. Prebe, Dana; Adrian T. Dillon, Eaton; and Edward Sullivan, Chase.

They predict economic growth, as measured by gross national product, will be about 2.5 percent this year.

Noting that slower growth means inflation with stagnant interest rates, the economists, on average, expect inflation to grow by about 3.2 percent in 1987, with interest rates remaining flat or dropping slightly.

They also see little change in unemployment, forecasting that it will remain at about 7 percent or decline a bit this year.

The economists also look for further depreciation of the dollar in 1987.

The most debatable subjects among the economists are consumer sentiment and import sales.

see ECONOMISTS, page 24

No. 1 car: Celebrity

TOP SELLING CARS

1. Celebrity — 408,946
2. Escort — 402,181
3. Cavalier — 357,112
4. Cutlass Ciera — 329,930
5. Accord — 325,004
6. Tempo — 265,382
7. Taurus — 263,450
8. Olds 88 — 261,260
9. Century — 240,747
10. Civic — 235,801

No. 1 truck: Ford F-Series

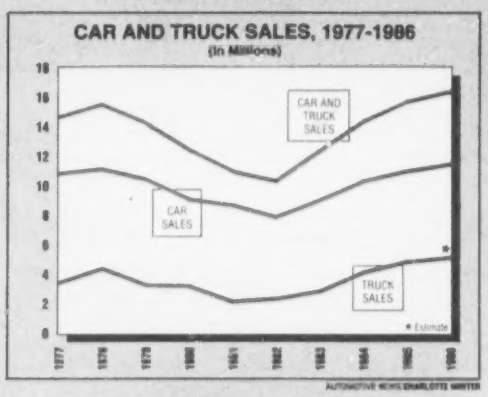
SALES RECORDS GALORE

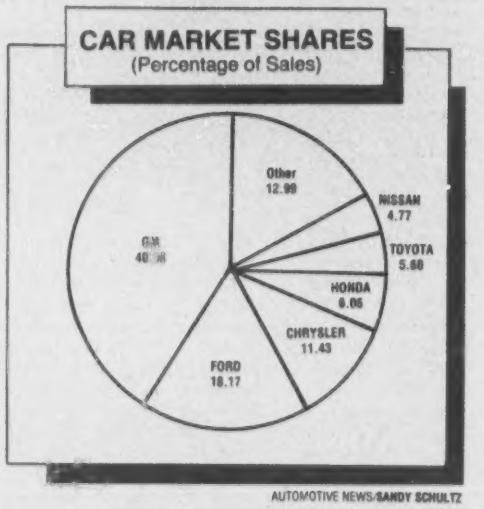
Cars — 11,452,310
Trucks — 4,860,000
Cars & trucks — 16,312,310
Import cars — 3,237,647

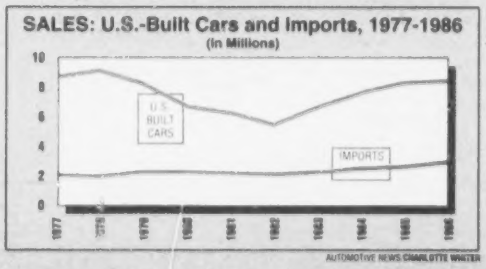
(But domestic car sales were the 12th highest — 8,214,663)

Complete details — Pages 42-43

1986 SALES AT A GLANCE







GM will sell bus works to Greyhound

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is selling its bus operations to Greyhound Corp., Automotive News has learned.

Authoritative sources confirmed the sale. An official announcement is likely within the next week or so.

The sale has been handled by Salomon Brothers, New York, on a high-bid basis.

Greyhound Corp., based in Phoenix, Ariz., had the money, the bus-building expertise and the management to pull off the deal.

Its manufacturing operations are headed by John Nasi, a former General Motors executive.

Greyhound Corp. is selling its Greyhound Bus Lines for $350 million in cash, securities and royalties to an investment group led by Fred G. Currey, of Dallas. The deal is expected to be completed by March.

Currey is chairman of Buslease Inc., which owns and manages a fleet of 1,100 buses which it leases to other companies.

Greyhound is retaining its Motor Coach Industries, or MIC, bus-manufacturing operations in Winnipeg, Manitoba and Pembina, N.D., and the Transportation Manufacturing Corp., or TMC, manufacturing operations in Roswell, N.M., as well as the Greyhound Lines of Canada and some other operations.

MCI and TMC build large intercity buses for the Greyhound Bus lines and other companies.

Outside sales are handled by Hausman Bus Sales & Parts Co., of Des Plaines, Ill.

Greyhound's current manufacturing/sales operation does not compete with GMC's transit business.

GM will sell all the tooling, rights and everything else, except its real estate, as part of the Greyhound deal.

GM employs 550 people in its bus operations in the Pontiac Central plant in Michigan, where it has been building about six coaches a day.

It currently has enough backorders to take it well into 1987.

GM also has a separate Canadian bus opera-

see BUS, page 44

Readings mixed for Europe's automakers

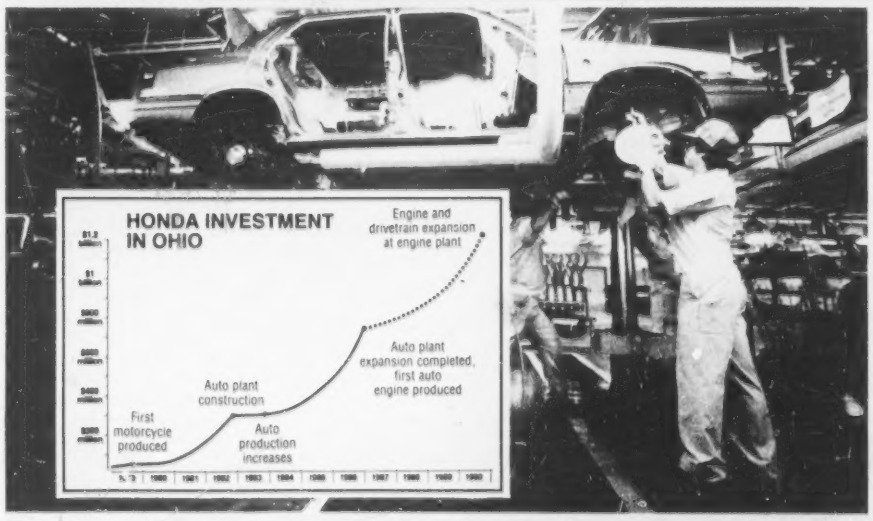
By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The collapse of the dollar could depress profits for Europe's specialist automakers in 1987 while earnings among volume producers stabilize after a period of growth.

But though industrywide profits are expected to decline slightly, there may be only one major independent group operating in the red this year — Britain's Rover Group — compared with four in 1986, five in 1985 and six in 1984.

In particular, the strength of the

see EUROPE, page 20


HONDA INVESTMENT IN OHIO
Engine and drivetrain expansion at engine plant
Auto plant expansion completed, first auto engine produced
Auto plant construction
First motorcycle produced
Auto production increases

EXPAND

Honda to produce more U.S. componentry

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

COLUMBUS, Ohio — Honda Motor Co. will expand engine production and begin manufacturing transmissions and suspension and brake parts in Ohio to supply its Marysville plant.

The development comes as U.S. automakers have been streamlining — and in some cases jettisoning — component operations to become less vertically integrated.

Honda calls Marysville, which produces the Accord and Civic, "the most integrated motor vehicle manufacturing facility in the United States."

see HONDA, page 41

NEWSPAPER

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us buying U.S. importer Page 3

GM expected to begin incentives Page 3

Democrats try again on trade bill Page 6

Lotus buying U.S. importer; GM hands off

By Richard Feast
and Kathleen Hamilton
AUTOMOTIVE NEWS STAFF REPORTERS

Group Lotus, General Motors' U.K.-based sports car company, will announce today (Jan. 12) that it has acquired control of its previously independent U.S. importer.

The friendly buyout is part of a 55 million pound ($80 million) six-year investment and expansion program for Group Lotus approved by the Lotus board in October.

One year ago, GM began purchasing Group Lotus stock, committing itself to purchasing 100 percent of the company for $33 million. Negotiations between Lotus and its U.S. distributor began in June 1985, before GM's acquisition of the British carmaker.

No financial details are being made public, but it includes a buyout of all 46 limited partners of Lotus Performance Cars, L.P., the U.S. importer-distributor. An outside source estimated the sale at between $16 million and $27 million.

The new company will be known as Lotus Cars USA Inc. It will operate from the old Lotus Performance headquarters in Norwood, N.J.

John A. Spiech, president and chief executive officer, is leaving the company immediately but amicably. Chairman Wesley C. Fredericks Jr. is staying on "indefinitely" and will add the title of chief executive. At least two marketing people will be added — but from the import-specialty car business, not from GM, Fredericks said.

He and Michael J. Kimberley, chief executive officer and managing director of Group Lotus, stressed the new U.S. company will remain independent of GM. That has been GM's policy with Lotus, as well. Two GM vice presidents sit on the Lotus board as non-executive directors, but apparently continue to make few operating decisions.

It has been GM's money that has made the biggest impact on the British carmaker and designer — allowing it to progress with long-overdue models, with plans to build a new plant and to expand the staff that performs contract engineering for other automakers.

Similarly, Lotus Performance has already benefited from the financial strength of the giant automaker: Earlier this year, General Motors Acceptance Corp. began servicing U.S. Lotus dealers. Fredericks and Kimberley are the only officers so far on the Lotus Cars USA board.

Kimberley said the plan is to raise the present 66 dealers to about 125 by 1992. At that stage Group Lotus will be producing about 5,000 cars a year and selling up to 2,000 of them in the United States. Now, dealers in 33 states are selling the $56,000 cars.

U.S. Lotus sales will remain steady until the first of its new-generation products, the moderately priced M-100, is launched here in the middle of 1989. It will sell about 180 vehicles this year, compared with about 140 in 1986, he said.

Lotus Performance Cars, L.P., was formed in 1982 by Fredericks, a car enthusiast and Wall Street lawyer who had represented Lotus. The marque had been selling poorly in the United States under its own import and distribution network, and fared no better when it enlisted Rolls-Royce to distribute the cars in the U.S.

Fredericks hired Spiech, at the time in Ferrari's top U.S. spot, and set up a limited partnership to import and distribute the fiberglass-bodied sports cars. In exchange for an investment of $100,000, the 46 partners received the first Lotus Turbo Esprits in the United States, a $15,000 tax deduction and, within a short time, a profit.

But Fredericks said Lotus Cars recognized early that the higher-volume moderately-priced car would make heavy demands on the U.S. company. That, coupled with the desire by U.S. operations to participate more in design, led to the acquisition talks.

AMC to revamp Kenosha for Omni and Jeep

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

American Motors is expected to announce today plans for a multi-million-dollar renovation of its aging Kenosha, Wis., plant to bring in subcompact Chrysler cars and new Jeep products.

Wisconsin officials, including newly elected Gov. Tommy Thompson, were negotiating with AMC representatives last week for a state aid package to renovate the Kenosha plant and provide training funds for workers.

The Kenosha plant dates back to the turn of the century. An AMC spokesman said the company wants to transform the plant into a more efficient operation to bring in new products.

Those products include Chrysler Motors' Dodge Omni and Plymouth Horizon models and a new line of Jeep products.

Under the current proposal, AMC will expand and modernize its main plant in Kenosha while continuing to build the Renault Alliance and full-sized Chrysler M-body cars in that facility until 1989. Omni-Horizon models will be built at an AMC-leased plant on Lake Michigan in Kenosha.

When the renovation of the main plant is completed, AMC will replace Alliance and M-body production with the Omni-Horizon and a new line of Jeep products.

AUTOMOTIVE NEWS JOE WILSSENS

William E. Hoglund, GM vice president in charge of B-O-C

LINKUP: *Cadillac regains operating control*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Cadillac will regain control of the engineering and manufacturing of most of its models in an effort to restore Cadillac's image as a world-class car company.

William E. Hoglund, General Motors vice president in charge of the Buick-Oldsmobile-Cadillac Group, announced last week Cadillac will merge with the B-O-C Detroit Product Team.

The move makes Cadillac a full-fledged car company again, at least as far as some of its product line is concerned. Cadillac and other GM divisions had control of their engineering and manufacturing taken away under GM's corporate reorganization of three years ago.

After the reorganization, Cadillac was responsible for only the marketing of its cars. The Detroit Product Team was responsible for the engineering and manufacturing of the heart of Cadillac's model line, including the Eldorado, Seville, Fleetwood Brougham and the Allante. The cars represent about 40 percent of Cadillac's sales. The team is also responsible for the Oldsmobile Toronado and Buick Riviera.

Hoglund said reuniting all those functions under Cadillac will streamline operations by eliminating duplicate staffs and link marketing more closely with car development, which will cut lead time on new models. No layoffs are expected.

Executives called the organizational change a natural evolution

see CADILLAC, page 41

GM to join Ford, Nissan, Mitsubishi with incentives

By Edward Lapham, Michelle Krebs and Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors is expected to institute a new round of retail incentives on selected models, perhaps as early as the end of this week.

Each division will be given flexibility to set its own program, according to one source, although the Fourteenth Floor will ultimately approve the programs.

Although no final decisions had been made by the end of last week, the options available to the divisions included price rollbacks on selected models, dealer cash incentive programs and special equipment packages.

Annual percentage rate financing, used heavily in the past, apparently is not on the list.

GM seemingly plans to stick to its promise of not offering across-the-board incentive programs in 1987.

Its approach is decentralized: Each division will decide what will work best to meet its objectives. "They (corporate marketing staff) asked us to submit our ideas beginning in December," the source said.

There was no GM response to the Ford low-interest financing program announced last week. That program offers a choice of 3.9 percent to 9.9 annual percentage rate financing or a cash rebate of up to $600 on Ford Ranger and Bronco II trucks.

The Ford program runs on delivered vehicles until Feb. 28. It offers a sliding scale of 3.9 APR for up to 24 months, 5.9 APR for up to 36 months, 7.9 APR for up to 48 months or 9.9 APR up to 60 months. The cash option is $500 on all 1986 or 1987 Ranger models or $600 on all Bronco II models.

Chrysler Motors, which launched a Nov. 21 to Jan. 20 3.9 APR or rebate program on Dodge Trucks and K-body cars, held pat.

However, two importers upped the ante.

Nissan last week started its first cash-to-dealers incentive program on cars since 1982 to boost traffic and trim a 68-day supply of inventory.

The program began Jan. 7 and runs through April 2. Dealers can receive up to $600 per vehicle on 1986, 1986½ and 1987 Sentras, Stanzas (excluding wagons) and Maximas, depending on sales volume.

The incentives have three levels. A dealer receives $300 per car for achieving the basic quota, $100 per car for achieving a higher volume, and $200 a car for meeting a third sales goal.

To support the program, Nissan is boosting its first quarter national advertising spending 20 percent above that of the 1986 fourth quarter, normally the heaviest quarter of a model year.

The last time Nissan offered cash to dealers on cars was in 1982 and

see INCENTIVES, page 41

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61st year—No. 5162

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Portugese 4wd slated for sale in U.S.; Peck involved

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — A Ford-powered Portuguese four-wheel-drive vehicle will be imported into the United States next year by a new automotive company whose executives include Raymond A. Peck Jr., former head of NHTSA.

The company, Universal Motors of North America, headquartered here, was formed a little over a year ago, according to President James J. Lawler. Lawler is a former marketing executive with Volkswagen of America.

Peck is executive vice president and general counsel. Hugh Burgess, former vice president and chief operating officer of Peugeot Canada, is Universal's senior vice president for Europe. Among plans are:

- The Portuguese vehicle, to be called the Indian and manufactured by Uniao Metalo Mechanica (UMM), will be powered by the 3-liter Ford V-6 engine and five-speed transmission currently offered in Taurus and Sable models. The use of the U.S.-made engine marks the first time the powerplant will be available in a non-Ford product.
- Universal is test marketing another four-wheel drive made by Gruau in France.
- The company also plans to import a British sports car, which the Universal Motors officials would not identify.

Lawler and Peck said Universal Motors has a five-year development plan to import and market specialty vehicles. Lawler said the company is looking into several niches, including vans, sports cars, four-wheel-drive vehicles, motorcycles and military vehicles.

Lawler said an aerodynamic minivan is currently in the wings but would not reveal details.

Volume goals, according to Lawler, depend on the niche and could range from as little as 500 units to as many as 50,000.

Lawler said several major announcements will be forthcoming in the next few weeks concerning other contracts the company is negotiating. He would not reveal the content of these negotiations or identify the companies.

Universal will operate through franchised dealers.

Peck said the company will be careful about dealer recruitment and wants dealers who can demonstrate performance.

As vice president of dealer development, Universal has appointed Michael A. Caruso, vice president of Country Ford on Long Island.

The Indian would be marketed through a Universal subsidiary, Indian Motor Co. Universal bought the rights to the old Indian motorcycle company names and logos.

That company was a major force in the motorcycle business until the early 1950s and it still has a high level of recognition.

The Portuguese Indian will be offered in two models: base and luxury. While prices have not been established, it was suggested they would be in the $14,000-$18,000 bracket.

The UMM vehicle has been available in Portugal for seven years. It originally was designed for NATO general purpose use and is being modified for U.S. consumers, including installation of an automatic transmission and leather interior.

RVIA picks Stempel as keynoter

Robert C. Stempel, General Motors executive vice president — Worldwide Truck and Bus Group and Overseas Operations, will be the keynote speaker at the Recreational Vehicle Industry Association's annual meeting March 1-5 in Honolulu.

Stempel will deliver his address March 4, following RVIA's chairman's reception and dinner.

RVIA also said that with $172,590 in contributions from corporations and individuals representing all segments of its industry, the association exceeded its fund-raising goal for market expansion.

The association's RV Market Expansion Program campaign was launched prior to its national show in Atlanta. A goal of $150,000 had been set. The money will be used to promote the RV market.

The money came from 477 contributors, according to David J. Humphreys, RVIA president.

RVIA also announced that The Nashville Network's TV series, "Wish You Were Here," has been renewed for a second season and will begin airing in April.

The program is hosted by country musician Kenny Price and his wife Donna.

Meanwhile, 12 RV industry executives were appointed or reappointed RVIA committee chairmen for 1987.

Scott Chapman, president of Bivouac Industries, Vandalia, Mich., will chair the Custom Van Conversion Manufacturers Committee.

Appointed chairman of the Lawyers' Committee was Robert Barefield, general counsel, ElDorado Motor Corp.

RVIA's Marketing Committee will be chaired by James Sheldon, director of marketing, Fleetwood Enterprises, Riverside, Calif.

Gene Stout, executive vice president, Coachmen Industries Inc., Elkhart, Ind., was appointed Public and Legislative Affairs Committee chairman.

Mel Adams, vice president and general manager of Coleman Co.'s RV Group, Wichita, Kan., will head the Nominating Committee.

Robert B. Lee, president, Country Campers Inc., Junction City, Ore., has been reappointed Western Show Committee chairman.

Robert R. Rawlings, vice president, CIT Financial Services, Livingston, N.J., will continue as Finance Committee chairman.

RVIA's National Show Committee will be chaired again by Steve Krivian, director of corporate marketing services, Thor Industries, Jackson Center, Ohio.

B.J. Thompson, president, B.J. Thompson Associates Inc., Mishawaka, Ind., has been reappointed chairman of RVIA's Public Relations Committee.

Mike Mitchell, president, Nu Wa Industries, Chanute, Kan., will serve another term as Standards Steering Committee and Enforcement Board chairman.

RVIA's Automotive Liaison Committee will continue to be chaired by David J. Humphreys, president of RVIA.

Bob Kropf, president of Kropf Manufacturing, Goshen, Ind., has been appointed chairman of RVIA's newly formed Park Trailer Committee.

Brahma gets a new top

Brahma Inc., Grand Prairie, Texas, is offering a new model LW2 with optional side load window, rear bay window and spoiler. The company uses Dow Chemical's ROVEL polymer for high impact resistance and durability. Brahma's toppers fit nine models of full and compact-sized pickups.

Atlanta show criticized, but RVIA defends '86 site

TRUCKING TRENDS

JOSEPH BOHN

The Recreational Vehicle Industry Association's grand experiment with Atlanta as the site for its 24th annual National RV Trade Show turned into a nightmare for many suppliers and attendees.

The suppliers found themselves tucked away in small, out-of-the-way nooks and crannies on different floors and sections of the Georgia World Congress Center where they quietly and not-so-quietly fumed about the lack of traffic and exposure.

Visitors, in turn, often needed a map and a lot of determination to find anyone. Typically, a casual visitor might walk into a room, work his way down one isle and peek around a corner. If nothing jumped out at him, he would turn around and walk out.

Some suppliers felt that manufacturers were allotted too much space and sometimes had unnecessarily large vehicle displays.

And there were complaints about parties and meetings scattered so widely that it became impossible to find everyone as easily as in Louisville, Ky., the site of the 1985 show.

So, what is RVIA's reaction?

Mary Hutya, vice president of meetings and exhibits, acknowledged the supplier complaints, but defended Atlanta. And even though the convention will return to Louisville next year, she is not sure it will stay there.

Atlanta show attendance was up — or down — depending on how you look at it.

RVIA counted 8,533 people at the show, 3 percent more than in 1985. However, dealer/buyer attendance was off 10 percent.

Hutya attributed the higher head count to more "non-exhibiting" members and press coverage.

There were almost three times as many newspeople as there were at Lousiville in 1985, she said.

Why did RVIA move the show to Atlanta?

"For many years the building (Kentucky Fair and Exhibition Center) was poorly maintained," Hutya said.

"We outgrew the building five years ago. We asked for things to be done. The RVIA had to build a registration area the last two years to accommodate people coming through the show," she added, pointing out that when the Louisville show building was renovated two years ago, it actually ended up with less registration space.

"We wanted to get their (Louisville show officials) attention," she said. "We needed more space, more up-to-date space, a better maintained building. In Atlanta, we also wanted more national attention, which we got, and we also increased the amount of space for manufacturers."

Hutya said she felt that "city officials in Louisville are much more aware of our problems now and are more eager to work with us."

But she still defended Atlanta, saying that the Georgia World Congress Center was "first-class," and that it was "not fair to judge a show's experience, based on one year in a new facility."

Hutya said she believed some of the supplier problems could be worked out.

She said she talked to Atlanta officials about not using so many little rooms and using the ballroom to handle most of the suppliers.

"They (Atlanta officials) seemed willing to do that," she added. "If you put suppliers in a centralized location, that would solve many of their problems."

She also said that going back to Louisville would not solve everyone's problems. She cited past complaints about overcrowded aisles that didn't give sellers a chance to sit down and talk to customers, and she also recalled that Louisville's center arena had accommodated only 220 out of 550 supplier booths in 1985.

That meant a lot of suppliers were crowded into meeting rooms and far corners of the building.

Hutya concluded that most manufacturers at Atlanta, even if they weren't happy with the total number of people, were happy with the people they did see.

"They were writing business," she added, citing one manufacturer who called it the "best show" he'd attended and another who signed eight new dealers.

Chevy gain

Burger expects to sell 100,000 RVs, second-highest total for a model year

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ATLANTA — Chevrolet expects to sell more than 100,000 recreational vehicles during the 1987 model year, only the second time it has topped that mark.

Robert D. Burger, Chevrolet general manager, said Chevrolet has seen additional strength in the RV market the past few months, prompting the division to project an improvement over the 95,000 RV units it sold in the 1986 model year.

Chevrolet set an all-time record of nearly 150,000 RVs in the 1984 model year. The strong sales were the result of the return to the market of buyers who deferred purchases in the late 1970s and early 1980s because of high fuel prices and a recession.

Speaking at the 24th annual National RVIA Trade Show here, Burger said, "We're particularly encouraged to see the industry's new marketing approaches to today's sophisticated buyer."

Chevrolet has marketing approaches of its own.

Its "Chevy Outdoors" publication, designed to attract buyers to the RV lifestyle, was launched in January 1986 and now has circulation of nearly one million.

Chevy Outdoors will feature special sections on popular outdoor sports, including a fishing section in the spring, boating in the summer, field sports in the fall and snow sports in the winter.

Eighty separate mailing lists are used to distribute the magazine to wider audiences. Each recipient initially receives a copy with a reader response card. Readers who choose to continue receiving the publication get a one-year free subscription.

Chevrolet manufactures RVs for all three categories of self-contained units, combination units and towing units.

Its self-contained RVs include the Class A motor home chassis, Class C Chevy Van cutaways, full-sized vans and Astro vans.

Burger predicted Chevrolet would take more than 90 percent of the Class A segment in the 1987 model year.

The Class A motor home market is becoming increasingly popular because of the vehicle's roominess and because its price is only slightly higher than that of a Class C unit, Burger said.

He also predicted sales of 20,000 Astro van conversions in 1987, a 10 percent increase over last year.

Burger pointed out that van conversions have always appealed to buyers. Some buyers purchase them as entry-level vehicles with the thought of moving up, while others consider them an alternative to large station wagons.

Chevrolet's combination units — those with dual uses — include S-10 pickups, full-sized pickups and the El Camino.

Tow units include Chevrolet's entire light-duty truck line, where the Suburban is a particular favorite. More than 50 percent of Suburbans are bought for towing, Burger said.

October shipments increase 5%

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale RV shipments of 29,200 in October showed a healthy 5.4 percent gain over the 1985 month.

Year-to-date, 10-month shipments of 328,100 were up 5.0 percent from the 1985 period, according to the Recreational Vehicle Industry Association.

Seasonally adjusted, wholesale sales were running at a 375,000-unit annual rate, with total calendar 1986 projected to be 5 percent ahead of 1985.

Also improving in October was the Index of Consumer Sentiment, which rose 3.6 points to 95.6. The survey is conducted by the University of Michigan Survey Research Center.

Consumers generally agree that business conditions will improve in 1987, without fear of a recession, and that buying conditions for vehicles and homes will remain favorable.

In October, shipments of 12,500 van conversions were off a slight 0.8 percent from the year-earlier period.

Ten-month van-conversion shipments of 158,600 were up a strong 13.2 percent over 1985, however.

Motor home deliveries of 5,800 were up 11.5 percent for the month.

With a 57,300 year-to-date total, they were off 5.6 percent for the 10-month period.

Retail sales of those products continued to outperform wholesale deliveries, the RVIA pointed out. In fact, year-to-date retail sales appear to be higher than wholesale shipments, indicating a decline in dealer inventory, RVIA added.

October shipments of 10,900 towable RVs were up 10.1 percent in October. The year-to-date total of 112,200 was up 0.4 percent.

While both folding camping trailers and truck campers showed unusual late-year strength, travel trailers accounted for most of the month's gain in that category.

Recreational Vehicle Wholesale Deliveries

	October 1986	October 1985	% change	10 months 1986	10 months 1985	% change
Travel trailers	7,800	7,300	+ 6.8	76,700	74,300	+ 1.9
Folding camping trailers	2,500	2,200	+ 13.6	30,100	31,300	– 3.8
Truck campers	600	400	+ 50.0	6,400	6,200	+ 3.2
Towable RV total	10,900	9,900	+ 10.1	112,200	111,800	+ 0.4
Conventional (type A)	3,200	2,900	+ 10.3	28,900	29,400	– 1.7
Van Campers (type B)	300	300	0.0	5,000	5,800	– 13.8
Chopped vans (all)	2,300	2,000	+ 15.0	24,300	25,500	– 4.7
Motor home total	5,800	5,200	+ 11.5	57,300	60,700	– 5.6
Van conversions	12,500	12,600	– 0.8	158,600	140,100	+ 13.2
TOTAL ALL RVs	29,200	27,700	+ 5.4	328,100	312,600	+ 5.0

Source: Recreational Vehicle Industry Association

Predictions for the U.S., Japan and Europe ■ Labor Outlook

Automotive News

January 12, 1987

Extra

Economic Forecast '87

TAX REFORM

1987
Internal Revenue Service
Instructions for Schedules A, B, C, D, E, F, and SE
Instructions for preparing Form 1040
From the Commissioner

Its impact on dealers and automakers

By Geoff Sundstrom

New-car sales in the first few months of 1987 ought to tell automakers and dealers a great deal about how tax reform will affect their business this year and next.

That's because most taxpayers are now calculating the amount of tax money they will owe the government and how much money they will take home under provisions of the Tax Reform Act of 1986.

Although the Tax Reform Act requires that the new W-4 forms be submitted by Oct. 1, 1987, the IRS is advising employees to submit the new form to their employers as early as possible in 1987. Failure to do so, the IRS warns, could result in substantial under- or over-withholding — and over-withholding could lead to additional taxes owed at the end of the year or, worse, tax penalties.

Because of the government's early-warning signal, an Internal Revenue Service spokesman tells *Automotive News*: "We expect most taxpayers to file

Continued on page E2

TAX REFORM

Continued from cover page

W-4s early in the year. For many people it'll be the first indication of whether they're winners or losers under tax reform."

And that would have a bearing on auto sales and production, for — theoretically, at least — the more winners among the nation's taxpayers, the more potential new-car buyers will trek to dealer showrooms throughout the year.

As things look now, the impact of tax reform on automakers and dealers should not be all that exhilarating or traumatic — although there is good news and not-so-good news.

The National Automobile Dealers Association believes most consumers will find themselves better off with the lower overall tax rates, and that car sales will benefit.

However, NADA cautions that low-rate financing and other incentives offered by automakers last fall may have stolen sales from early 1987.

Agreeing with that is Chase Econometrics, Bala Cynwyd, Pa., which believes changes in the tax code caused a shift of 150,000 vehicle purchases out of 1987 and into the final quarter of 1986.

That occurred, Chase maintains, because car buyers sought to maximize consumer-interest deductions and use sales tax deductions before the end of 1986. The Tax Reform Act eliminates the sales-tax deduction entirely and phases out consumer interest deductions.

According to a report prepared by Chase senior economist Geraldine Feely and director of automotive services Edward J. Sullivan, "All but 20,000 (of the advance car sales were) concentrated in the luxury and large-car segments, where the sales-tax deductions can be substantial."

Sullivan says that in 1987, "The new tax code will result in a 3-percent increase in overall consumer ability to purchase new cars. But uncertainty regarding end-of-year tax liabilities will probably restrain consumer spending during the year."

	No Tax Reform				Tax Reform			
	1985	1986	1987	1988	1985	1986	1987	1988
U.S. Sales	11.0	11.1	10.7	10.6	11.0	11.1	10.6	10.8
Large Car Sales	5.0	5.1	5.0	4.9	5.0	5.2	4.9	5.0
Small Car Sales	6.0	6.0	5.7	5.7	6.0	6.0	5.7	5.8
U.S. Production	8.1	7.8	7.6	7.0	8.1	7.8	7.6	7.2
Cumulative Job Losses	—	23,940	38,610	79,100	—	21,450	37,030	64,470

The good news for the auto economy, according to Chase, is that tax liabilities will be clarified in 1988, which should push car sales up. "Our forecasts indicate a boost in auto sales of 240,000 units compared to the no-tax-reform baseline scenario," Sullivan says.

He adds: "Since quotas on Japanese imports will remain in place and the tax reform effects will limit European luxury-car gains, U.S. manufacturers should sell about 80 percent of that total, 200,000 unit sales over what they could have expected to sell in the absence of the tax-reform bill.

"But even the extra boost given U.S. auto markets will not be able to avoid the continuing retrenchment in the U.S. auto industry. Our forecasts indicate that domestic production of autos for the U.S. marketplace will continue to decline rapidly.

"The tax-reform will, however, have the effect of keeping the post-1985 decline to 920,000 versus 1.1 million units, and 64,400 job losses versus 79,100 job losses in the North American automobile industry."

Data provided by Chase project total U.S. car sales of 10.6 million in 1987 and 10.8 million in 1988. U.S. production is projected to decline, however, from 7.6 million in 1987 to 7.2 million in 1988.

According to Chase, large cars will account for 4.9 million sales in 1987 and 5.0 million in 1988. Small-car sales will total 5.7 million in 1987 and 5.8 million in 1988.

Chase estimates that without tax reform, total U.S. car sales would be 10.7 million in 1987, falling to 10.6 million in 1988. U.S. production would have remained the same at 7.6 million units in 1987, with or without tax reform. But production would fall more steeply to 7.0 million in 1988 under a no-tax-reform scenario.

Chase estimates an unreformed tax code would have moved large-car sales higher by 100,000 units in 1987 to 5.0 million units, but would have fallen to 4.9 million in 1988.

Small-car sales under the old tax environment for 1987 are the same as those projected for the new one — 5.7 million units. Also under the former tax structure, small-car sales in 1988 would have lost the 100,000 units they are projected to gain under tax reform by remaining steady at 5.7 million units.

Tax reform's impact on dealership profitability will be positive in 1987, according to a report prepared by Mark E. Battersby, a financial and tax analyst in Ardmore, Pa.

The study, *Auto Marketing and the Tax Reform Act of 1986*, predicts that automobile dealerships, "historically a high tax payer, will reap big benefits from the tax law's low corporate tax rates — enough to offset the loss of some favorable tax treatment accorded it in the past."

Battersby adds: "Perhaps best of all, the automobile dealership's customers will be better off under this bill and able to buy more of the dealer's wares.

"Car dealers will find their income taxed at lower rates, but any new equipment acquisitions (will cost) more out-of-pocket, thanks to the loss of the investment-tax credit and longer depreciable lives for equipment."

The report notes that after June 30, 1987, incorporated automobile dealerships will be subject to a top tax rate of only 34 percent, far lower than the present top tax rate of 46 percent. Individuals, whether operating as sole proprietors, partners or shareholders in a Subchapter "S" corporation, would find their income taxed at either 15 or 28 percent by 1988.

Battersby observes: "In the past, a partnership or Subchapter 'S' corporation with a tax year different from that of the partner or shareholder offered a number of tax advantages, not the least of which was income shifting."

However, he warns: "Under the new rules, a partnership would be required to adopt the same taxable year as that of the partners owning a majority of the interest.

"Also, all Subchapter 'S' corporations would be required to adopt the calendar year as their tax year unless a satisfactory business purpose for a fiscal year could be presented to the IRS."

Although tax changes of this kind may be lamentable for many dealerships, Battersby says the overall lower tax rates should still allow most dealers to come out ahead.

"This contradiction, a giving with one hand while taking away with the other hand, is typical of the entire tax bill," Battersby says. "But once all of the provisions are in effect and all of the tax rates fully phased in, the average automobile dealer should benefit. Of course, because of the complexity of these new rules, he will require the assistance of a qualified professional."

Changes in the tax law that eliminate sales tax deductions and phase out consumer-interest deductions are being touted as big gains for the consumer leasing industry.

Nonetheless, analysts are cautioning consumers about a switch to leasing.

According to Xerox's LMV Leasing Inc., which has a vested interested in selling leasing deals, "The Act does not contain a bias in favor of ownership versus leasing, or vice versa. It leaves untouched the basic advantages of open-end fleet leasing," while the cost of consumer leases may increase somewhat because of slower depreciation rules and the loss of the Investment Tax Credit.

LMV Leasing points out that the loss of sales tax deductibility and a phase-out of consumer-interest write-offs will make the cost of personal-car ownership rise. These deductions are retained, however, for those who buy vehicles for business use.

LMV's message seems to be that the new law has not changed the most important questions regarding leasing: How will the vehicle be used and what are the various leasing-purchasing options available?

The potential buyer-lessee must still consider estimated trade-in values, anticipated mileage, length of service, maintenance considerations, insurance coverage and personal-vehicle choice.

It is also important to remember that not all leases and purchasing terms are the same. Only when the questions are answered should tax considerations be allowed to swing the decision one way or the other.

The same may hold true for the Tax Reform Act and its effect — for better or for worse — on the U.S. auto market. Its true measure won't be understood until all the questions are answered, perhaps a year from now. ■

Automotive News Extra

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COMING MARCH 9: AUTOMOTIVE NEWS IMPORT WORLD EXTRA

U-M predicts fewer car sales in '87

By Michelle Krebs

New-car sales are forecast to display solid but not record strength over the next two years, according to the University of Michigan's economic outlook.

University economists Saul H. Hymans, Joan P. Crary and Janet C. Wolfe, who prepared the latest forecast, predict car sales in the U.S. will be 10.4 million units in the 1987 model year and 10.7 million in the 1988 model year.

They predict that while the overall U.S. economy will grow at a faster rate in 1987 than in 1986, car sales will be lower in 1987 than in 1986 and the auto industry will not contribute to the nation's overall growth.

As for the overall U.S. economy, the economists predict:

■ Economic growth as measured by gross national product will increase 3.3 percent in 1987. That follows an increase in 1986 estimated to come in at about 2.6 percent, although final figures for the year are not yet available.

■ GNP growth for 1988 will be 3.2 percent because of the second phase of a drop in personal income taxes under tax reform going into effect in January 1988. Further growth in 1988 is also predicted because the real trade balance is expected to hold steady.

■ Unemployment will be reduced in the growing economy. Small reductions are seen for 1987 and 1988 with the average unemployment rate expected to be 6.9 percent in 1987 and 6.7 percent in 1988. The unemployment rate for 1986 is expected to come in at about 7.1 percent.

■ Consumer prices, as measured by the personal consumption deflator, will be 3.8 percent higher in 1987 than in 1986, and be another 4.9 percent higher in 1988. Consumer prices were held down during 1986 by the dramatic decline in oil prices and a very small increase in non-oil import prices. As measured by the consumer price index, inflation will be about 4.5 percent in 1987 and 5.2 percent in 1988.

■ The growth of real disposable income, reflecting the opposing influences of higher prices and net personal income via the tax cut, is forecast to fall back to a bit more than 2 percent annually in 1987 and 1988.

■ Consumer spending will continue to boost the economy in 1987 and 1988, influenced by tax reform, which will raise household purchasing power in 1987 and again in 1988. Consumer spending also will be aided by lower interest rates.

■ Profits, including inventory valuation and capital consumption adjustments, are expected to increase to 7.8 percent of the GNP after hovering at just above 7 percent since 1984.

■ The combination of modest improvement in unemployment, output growth averaging over 3 percent and mortgage rates continuing to edge down during the next year implies continued strength in the housing market. Housing starts will continue during 1987 at the 1986 average level of 1.84 million units and will increase to 1.97 million units in 1988.

■ The trade-weighted value of the U.S. dollar will show a 9.5-percent decline in 1987, following a 22.2-percent drop from 1985 to 1986. Minimal further deterioration in real net exports, amounting to $5.6 billion, is predicted. Real net exports will hold virtually constant for 1988.

When the dollar price of non-oil imports changed little between 1985 and 1986, while oil prices collapsed, the U.S.'s real net exports declined by another $40 billion.

With the expected upturn in the dollar price of non-oil imports and stability in world oil markets, minimal further deterioration in real net exports is expected, amounting to $5.6 billion in 1987. ■

1987 ECONOMIC PREDICTIONS

	Total Motor Vehicle Sales	Passenger Car Sales	Truck Sales	U.S. Economic Growth (measured by GNP adjusted for inflation)	Inflation (measured by Consumer Price Index)	Interest Rates	Unemployment Rate	U.S. Dollar	Consumer Attitudes
David C. Munro General Motors	15.0-15.2 million	10.5-10.7 million	4.5 million	About 2½%	3.0%	Flat	Flat	Possibly a little more weakening	Remain strong, but could retreat if it moves at all
John V. Deaver Ford Motor Co.	15.0 million	10.5 million	4.5 million	2.3%	3.3%	Same level	Flat	Continued depreciation	Fairly strong
Donald P. Hilty Chrysler Corp.	14.7-15.4 million	10.3-10.7 million	4.4-4.7 million	1.7%	3.5%	Down first half; upward progress in second half	Higher in first half; lower in second half; overall slight increase	Resume depreciation somewhat	Deteriorate at a faster pace, especially in first half
William F. Prebe Dana Corp.	14.7 million	10.6 million	4.1 million	2.8%	3.2%	Slightly down	Slightly lower (6.9%)	10-15% more depreciation	Will strengthen as year progresses
Adrian T. Dillon Eaton Corp.	15.3 million	10.7 million	4.6 million	2.7%	3.0%	Down slightly, then up slightly after mid-year	Slightly lower (6.8%)	Down 10-15%	Will remain at current strong levels
Edward Sullivan Chase Econometrics	14.97 million	10.5 million	4.44 million (light trucks only)	2.4%	3.4%	Slightly down	Slightly down (6.9%)	Slight decline	Slightly softer

Analyzing the analysts

Based on predictions made in *Automotive News* one year ago, Dana Corp.'s William F. Prebe was the most accurate of six 1986 economic forecasters. Of nine economic categories, he was closest in four: passenger car sales, U.S. economic growth, inflation and value of the U.S. dollar.

General Motors' David C. Munro led in two categories (total motor-vehicle sales and truck sales). Eaton Corp.'s Adrian T. Dillon took honors with his unemployment-rate forecast and tied with Chrysler Corp.'s Donald P. Hilty in the interest-rate category.

The ninth category — consumer attitudes — wound up in a tie between Hilty and Ford Motor Co.'s John V. Deaver.

None of the economists came very close to forecasting 1986 total motor-vehicle sales (16.0 million) or passenger-car sales (11.25 million). Munro (15.0 million) was closest on the former, Prebe (10.77 million) on the latter.

Munro's forecast of 4.5 million truck sales for 1986 was nearest to the actual mark of 4.8 million.

Prebe's 2.9-percent estimate of U.S. economic growth and 3.3 percent estimate on inflation were closest to what are expected to be the final figures — 2.6 percent and 2.0 percent, respectively.

Last year's sixth forecaster was TRW Inc. economist Wynn V. Bussman, now with Chrysler. ■

Economists predict slow but steady growth for the rest of the decade

By Michelle Krebs and David Versical

Economists predict more of the same for the 1987 economy, and that's not all bad, they say.

Economists for General Motors, Ford Motor Co., Chrysler Corp., Dana Corp., Eaton Corp. and Chase Econometrics say the 1987 economy will be similar to that of 1986, with slow but steady growth. Car sales will be strong, they say, but not as strong as 1986.

David C. Munro, GM economist, says it would be "our extraordinary good fortune" to have the economy continue in the 1986 fashion of slow and steady growth.

Any surprises that GM is watching out for are not serious enough to cause a deep recession even if all of them should occur, notes Munro, who says, "We give them a less than 50-50 likelihood of coming to pass."

John V. Deaver, Ford corporate economist, also predicts slow economic growth; but he is not disappointed because slow, steady economic growth also means low inflation and low interest rates. He says, "The forecast leaves a lot of upside potential with little downside risk."

Economists figure the first half of 1987 is likely to be weaker than the second half, with the economy gaining momentum through the last two quarters of the year.

Donald P. Hilty, Chrysler's corporate economist, predicts tax reform, which took effect Jan. 1, could cause the economy to soften in the first half.

Car sales could be softer in the first half than the second, Hilty maintains, because of advanced car-buying that took place in 1986. Some sales were stolen from the first half because of aggressive incentives in 1986, while year-end buying was triggered by elimination of the sales tax deduction under tax reform, he says.

William F. Prebe, economist for Dana Corp., agrees 1987 will begin sluggishly but will get stronger as the year goes on. Even so, he's concerned by the lack of pep in the economy. His "worry list" includes housing, construction and car sales. "If demand should weaken somewhat from where it is, that could trigger a recession," Prebe says. "We need something to pick the economy up."

Edward Sullivan, of Chase Econometrics, is the most pessimistic of the economists *Automotive News* interviewed. He sees greater potential for the economy to worsen than to improve.

Sullivan believes tax reform may have triggered a fourth-quarter spending splurge as consumers tried to beat the tax changes, and such a push could leave the economy listless. "Given the fragile state of the economy," he says, "it doesn't take much to send it into a recession."

But Adrian T. Dillon, Eaton Corp. economist, argues a recession is out of the picture until the 1990s. He sees no structural reason for a recession in the next two to three years, noting that, above all, there are no constraints on the economy's ability to grow.

"If you look at past recessions," Dillon says, "they've been caused by constraints on the economy's ability to grow."

Overextended factories, a shortage of labor, high interest rates — factors that could lead to a recession — aren't a concern now, Dillon contends. He doesn't foresee any of these problems coming into play before 1989 or 1990.

U.S. vehicle market

The economists predict sales of new vehicles in the United States will be close to 15.0 million units in 1987 — about 10.5 million cars and 4.4 million trucks.

GM's Munro says the industry may not have a record year in 1987 because of a decline in consumer buying, particularly durable goods such as cars. "But we thought the same for 1986, and it turned out to be a 15-million year," he notes. "A third year of above 15 million sales is a reliable prospect, and that's extremely good."

Dana's Prebe predicts car sales in 1987 will be close to the 1986 level, even though he estimates incentives robbed 300,000 to 500,000 sales from 1987. "I don't look for the year to be that bad," he says. "By the middle of 1987 I suspect the economy will be moving along at a pretty good clip."

For the rest of the decade, he expects auto sales to progress "sideways," with car sales climbing gradually from 11.8 million in 1985 to 12 million by 1990.

Among his explanations for the slow growth in car sales are a shift from car sales to light truck sales, slower population growth and people keeping their cars longer.

Incentives

Ford's Deaver says sales will depend partly on what automakers do about incentives.

Noting that 1986 began with a major interest-rate incentive program, and incentives continued throughout the year with only small breaks, Deaver says, "If incentives are more or less of the same magnitude in 1987 as they were in 1986, that could mean our forecast for car volume is too low."

On the same note, Chrysler's Hilty expects less aggressive marketing by automakers this year. "All of the car companies will be re-evaluating their marketing strategies," he says. "We'll also be evaluating imports, especially the Japanese. I don't expect the industry will get too greedy."

Eaton's Dillon expects incentives in 1987, but more modest than those in 1986. He says GM's reduced market share last year suggests the giant automaker, which has taken the lead in incentives in the past, may again have to resort to them to hang on to market share, although the incentives won't match the low interest rates offered in 1986.

Prebe expects incentives to continue — not so much to limit car inventories, but to curb import sales.

Hilty offers a range for 1987 car sales of 10.3 to 10.7 million, noting that even his lowest estimate is not a bad car year. "The surprises will be on the upside," he says. One of the surprises may be that U.S. consumers won't be as concerned as expected about tax reform, although Chrysler isn't counting on that.

Adds Hilty: "Chrysler needs to prove to the world that this car company can come out of a recession or down-economy in good shape. So our planning tends to be on the conservative side."

Import vehicle sales

Hilty predicts import sales could slow down because of the pressure of stronger foreign currencies against the U.S. dollar.

He points out that the Japanese hedged their currencies from six months to two years to keep from raising vehicle prices as much as the yen appreciated. But those hedges expire in 1987 and the import share could show a drop.

"The domestics will have an opportunity to take penetration from imports, so the forecast is better for domestic companies than the overall numbers imply," Hilty says.

Dillon predicts imports will not capture a much bigger share in 1987. Import sales may be up by about 100,000 units, he predicts, noting that supplies of imports are climbing above 30-day levels.

Hilty adds, however, that the sum of imports and transplants — Japanese cars built in the U.S. — will continue to rise as a percentage of the total market.

Chase's Sullivan sees no leveling off of import share in 1987. He expects overall imports to increase from the 3.1-million level of 1986 to 3.35 million in 1987, with most of the increase coming from nontraditional sources including South Korea, Brazil and Mexico.

Sullivan predicts Japanese voluntary restraints, which limit the number of cars shipped from Japan to the U.S., will increase by 150,000 this year. Current restraints expire March 31. He reasons that small Japanese manufacturers have been hurt by the restraints, so the Japanese will raise the quotas to help them.

Sullivan notes, however, that the Japanese industry is going through problems of its own with slow sales in its home market and Nissan Motor Co. Ltd. reporting its first operating loss since going public in 1951. "The Japanese don't feel they have to make further sacrifices," Sullivan says.

He predicts a major issue the industry will face in the next few years is a relatively flat U.S. market with greater import penetration and increased production in the U.S. by Japanese companies.

"Everyone will be hurt by this," Sullivan says. "Domestic manufacturers will probably be hurt most." He predicts imports will hit 3.8 million units annually by 1989.

Sullivan expects the Big Three will suffer a 700,000-unit decline in annual production between now and 1990. This, he maintains, means the Big Three will have to close another three to five plants in addition to those already announced for shutdown.

Economic growth

All of the economists expect slow U.S. economic growth in 1987. Most believe the first half will be sluggish as tax reform takes effect, but will pick up in the second half. They predict economic growth as measured by gross national product will be about 2.5 percent in 1987.

Continued on page E12

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PREDICTIONS

Continued from page E11

Slower growth means inflation and interest rates will remain in check. On average, the economists expect inflation to grow by about 3.2 percent in 1987. They say interest rates will remain flat, though some expect a slight drop.

The economists predict little change in the unemployment rate, which will come in at about 7 percent for 1986. Some anticipate a slight drop next year.

However, Chrysler's Hilty is disturbed about some trends he sees in the employment picture. The average work-week, he notes, is lower than during the trough of the last recession. "This indicates a lot of people have jobs but aren't working a lot of hours," he says.

It also means disposable income, which rose only 1.5 percent in 1986, is actually dropping and will continue to do so, which will slow consumer spending.

The U.S. dollar

The economists forecast further depreciation of the dollar in 1987.

"We're still uneasy about international exchange rates," Deaver says. He notes the U.S. dollar versus the Japanese yen may be low enough, but the dollar versus other currencies, particularly South Korea's, needs to make further progress in light of large trade imbalances with the U.S.

Deaver sees further modest weakening of the U.S. dollar as a plus. "We figure we're halfway to where we need to be," he says. "We need more. If it doesn't happen, we'll have more trade-deficit problems. There's been some progress on the trade deficit, but only because of currency shifts. More changes should occur."

Consumer sentiment

Consumer sentiment, which could prove to be a key factor in the 1987 economic forecast, is a subject of debate.

Generally, the economists believe consumer confidence will remain strong, though not at record levels. But some believe there could be some retreat in confidence, leading to slower consumer spending.

One factor that will determine the consumer-confidence level is consumer reaction to tax reform. The economists believe consumers may hold off buying in the first half of 1987 as they figure out what tax reform means to them.

Chrysler's Hilty is the most concerned about consumer attitudes. He notes the University of Michigan's survey of consumer attitudes has shown a decline and the Conference Board's index has fallen to the lowest level in two years, dropping dramatically the past several months.

Says Hilty: "Consumers seem to be saying they like what they see today, but they're worried about tomorrow. They don't see themselves making more in 1987 than in 1986, which affects their spending plans."

Prebe says consumer sentiment will improve as the year goes on. In the first half, GM's announcement of layoffs and the new tax rules taking effect will be fresh on consumers' minds, he notes, "but once they realize they weren't hurt that badly by the tax reform bill, they'll be more likely to make new investments."

Issues in Washington

In last year's forecast, a lot of attention was focused on issues in Washington, including budget and trade deficits. Although there continues to be concern over those issues as they pertain to the long term, they are much less a factor in 1987 forecasts.

The economists generally expect to see some progress in both the budget and trade deficits. They agree the budget reduction is unlikely to reach the levels set by the Gramm-Rudman resolution, but some believe the budget deficit will be somewhat less in 1987 than in 1986.

"It will be the first time in a long time we've seen a decline. But more has to be cut from the budget," Deaver says.

Prebe says the trade deficit will remain at 1986 levels and not be a further drag on the economy. His reasons: a weaker U.S. dollar; stable oil prices; an overall increase in world trade; major trading partners — West Germany and Japan — buying more from the U.S.

Hilty sees little likelihood of a turnaround in the trade and budget deficits, but grants they won't necessarily impact the 1987 economic forecast. "They continue to be worrisome," he stresses, "but the effect is longer term in that they take jobs away from the U.S. They've been eating away jobs for the past six years and will continue to do so."

Beyond 1987

Looking beyond 1987 and into 1988, the economists see more of the same. And again, they say, that's not all bad.

"I see no reason for a change of course," says Munro. "By the middle of 1987 we'll be able to tell if 1988 will be slightly better or slightly worse than 1987; 1988 will depend on how quickly the patterns predicted for 1987 unfold. There's no doubt the patterns will develop as we expect in 1987. How quickly is the question."

Deaver also predicts more of the same in '88. "If anything," he says, "we'll see slightly faster growth. The longer we have slow, steady growth with excess capacity and prices and wages increasing at a slow rate, the longer the economy can continue its recovery. While recovery doesn't have a lot of steam, it doesn't seem to be running out of steam." ■

Western Europe enjoys a surge in sales — but how long will it last?

By Ian Robertson

Reports of record sales are arriving from Western Europe's 17 new-car markets. Estimates show volume in 1986 climbed nearly 800,000 units above 1985 and topped the 11-million mark for the first time in history.

Western Europe's new-car registrations are estimated at 11,287,000 units in calendar 1986, 7.3 percent above 1985's 10,517,000.

The surge in automobile demand stemmed from generally brightening economic horizons across Europe. In the wake of falling oil prices, consumers watched inflation dwindle — to negative levels in the case of West Germany and the Netherlands.

At the end of 1984, inflation among Europe's leading economies was running at an annual rate of 5.3 percent. A year later it dropped to 4.6 percent. By the closing weeks of 1986 it dwindled to 2.0 percent.

Meanwhile, a rise in average earnings continued to outstrip inflation by a comfortable margin, boosting consumers' real spending power.

At the close of 1986, average earnings across Europe's leading economies were showing a 3.9-percent annual gain — twice the level of inflation.

West Germany alone regularly absorbs almost one-fourth of Europe's new-car sales. Demand there boomed throughout 1986, with the earnings-inflation ratio playing a key role. Registrations in 1986 appeared certain to hit record levels as buoyant West German consumers celebrated average earnings that rose 4 percent while inflation receded to a negative 1.1 percent.

Another leading European market, the United Kingdom, also was poised to set a car-sales record in 1986. Cash-rich consumers are enjoying a 7.5-percent increase in average earnings while inflation has tumbled to 3 percent.

Meanwhile, interest rates in Europe were moderate in 1986, easing credit purchases and acting as a disincentive to savers.

In West Germany and neighboring market Switzerland the 1986 economic upturn coincided with resolution of the debate over exhaust-emission standards. In 1985, uncertainties over the standards prompted many customers to postpone new-car purchases. Release of that pent-up demand sent sales soaring in 1986.

At the dealer level, intense competition has pushed Europe's new-car prices down — in many cases to their lowest level in real terms in about two decades.

At the same time, with margin-hungry exporters of Japanese cars seeking some respite from the dollar-yen ratio, price discounting is widespread. Reductions of up to 40 percent on list price are reported for some volume deals.

Dealer incentives have led to pre-registering vehicles in attempts to achieve target-related bonuses. The models are then sold as demonstrators or "cancelled fleet orders" at knocked-down prices. In addition, there are cut-price credit deals, "no-cost extras" offers and even guaranteed price buy-back arrangements from dealers.

Meantime, new-model intros are being accelerated. In an attempt to stay a step ahead of the competition, European automakers have reduced the average life cycle of volume-production models from seven or eight years to five.

Nearly half of the additional 800,000 new-car sales generated in Western Europe in 1986 can be traced to West Germany's booming market. France, Italy, the Netherlands and the U.K. accounted for one-third of the additional sales. Significant growth also was recorded by Denmark, Switzerland and the Benelux markets.

New Car Registrations in Europe by Country

(In thousands)

	1985 Actual	1986 Estimate	1987 Forecast	% change 1986-'85	% change 1987-'86
West Germany	2,379	2,740	2,500	+15.2	– 8.8
United Kingdom	1,832	1,880	1,830	+ 2.6	– 2.7
France	1,767	1,859	1,950	+ 5.2	+ 4.9
Italy	1,646	1,715	1,750	+ 4.2	+ 2.0
Spain	544	580	540	+ 6.6	– 6.9
Netherlands	496	552	520	+11.3	– 5.8
Belgium	360	396	375	+10.0	– 5.3
Switzerland	265	305	290	+15.1	– 4.9
Sweden	263	255	240	– 3.0	– 5.9
Austria	243	248	250	+ 2.1	+ 0.8
Norway	159	172	150	+ 8.2	–12.8
Denmark	157	183	170	+16.6	– 7.1
Finland	138	147	140	+ 6.5	– 4.8
Portugal	104	110	98	+ 5.8	–10.9
Greece	79	59	60	–25.3	+ 1.7
Ireland	59	57	59	– 3.4	+ 1.8
Luxembourg	26	29	27	+11.5	– 6.9
TOTAL	10,517	11,287	10,949	+ 7.3	– 3.0

New Car Registrations in Western Europe

	Thousands	% annual change
1982	10,162	+3.3
1983	10,408	+2.4
1984	10,111	–2.9
1985	10,517	+4.0
1986 (Estimate)	11,287	+7.3

Source: The Economist Publications (European Motor Business)

Only Greece, Ireland and Sweden failed to post sales gains. In Greece this is attributed to government austerity. In Sweden, record sales in 1985 were followed by a cyclical downturn. Ireland's economy remained sluggish.

Early indicators for 1987 suggest there will be a general leveling off in demand. A slight dip in European sales below the 11 million mark is forecast, with another decline in 1988.

With major markets now near saturation, a cyclical downturn is expected to follow the record 1986 sales in West Germany and the U.K. However, markets in France and Italy are not expected to peak until sometime this year.

Along with a cyclical dip in general auto-replacement demand, the post-emissions boom will tail off in West Germany this year, while elsewhere economic prospects will begin to moderate.

The outlook for oil prices remains stable. Any attempt to push prices up would largely depend on an agreed cutback in production by OPEC, and that does not appear likely. An OECD import price of $15 a barrel is expected to be maintained through 1987.

With the oil-price bonus now absorbed, however, signs are that inflation could begin to climb again in Europe, forcing consumers to reassess their priorities.

West Germany's negative inflation is expected to revert to a modest 1.5 percent increase in 1987.

In France, price controls are scheduled to be dismantled this year, but 2.2-percent inflation is expected to rise to 3 percent.

In the U.K., inflation is forecast to expand to about 5 percent from its current 3-percent level.

Among the major countries, only Italy is expected to see inflation slow down in 1987.

Meantime, official resistance to high wage settlements is growing, which is expected to reduce the increase in real earnings enjoyed in 1986. Credit-laden consumers have little further capacity to take on new commitments. At the same time, they are faced with the prospect of interest rates edging up.

In early December the Bank of France raised interest rates by 1 percent. In mid-October, the British government's resistance to higher interest rates finally gave way; the base rate was raised from 10 to 11 percent to defend sterling.

In West Germany the Bundesbank fiercely resisted pressure for lowering interest rates prior to the January elections.

Thus, Italy looks like it may be the exception this year, with further reductions in the country's high interest rates a prospect.

Exchange-rate improvements are poised to send new-car prices on some European markets reeling. After the climb of the yen, the deutschemark is rapidly gaining strength. In the U.K. this led to warnings of 15-percent price rises in the pipeline. With Germany's leading role as a component supplier to other manufacturers, the impact of this development would have a domino effect on other countries' production prices.

In West Germany there are rumblings again from the metalworkers' union, IG Metall, which earlier was responsible for bringing the country's output almost to a standstill. An opening DM 11 billion ($5.5 billion) tax cut in 1986 helped boost consumption, but now has been absorbed, and calls to bring forward outstanding 1988 tax cuts have been ignored.

In the U.K., modest pre-election tax cuts are expected in the March 1987 budget, but the underlying 7.5 percent growth in average earnings is under attack. After two years of record car sales, demand is expected to slow after the second quarter of this year.

Prominent in France's draft 1987 budget was a 27-billion franc ($4 billion) cut in corporate and personal taxation in 1987, with a further FF 23 billion scheduled for 1988. To some extent these will be offset by higher social security contributions; but a positive trend in wages-prices is expected to support continued growth in the country's car market in 1987.

With interest rates and inflation on a downward trend, new-car demand in Italy is expected to remain strong.

The inflation rate in Spain remains above average at 9.3 percent, but real growth in wages has been maintained so far. High base rates (14.5 percent) could fall, but vehicle demand was distorted by a speculative boom in new-car purchases late last year.

Apart from France and Italy, only the marginal markets of Austria, Greece and Ireland are expected to show an improvement in 1987 new-car sales. ■

DOMESTIC CAR SALES

	Dec. 21, to Dec. 31, 1986	Same Period, 1985	Dec. 1986	Same Month, 1985	Jan. 1 to Dec. 31, 1986	Same Period, 1985
Alliance	0	0	3,713	4,563	48,874	71,494
Encore	0	0	0	1,949	16,241	39,179
Total Renault	0	0	3,713	6,512	65,115	110,673
Eagle	0	0	635	1,075	7,738	12,776
Total AMC	0	0	635	1,075	7,738	12,776
AMERICAN MOTORS	2,128	4,137	4,348	7,587	72,853	123,449
Horizon	3,616	2,158	8,893	4,891	111,092	84,500
Sundance	668	0	4,464	0	18,714	0
Turismo	2,294	1,200	3,107	2,970	46,368	52,817
Reliant	4,619	3,913	12,727	10,954	130,043	138,833
Caravelle	1,160	1,127	3,265	2,438	39,138	35,954
Plymouth	598	335	1,369	640	17,443	17,627
Total Plymouth	12,955	8,733	33,825	21,893	362,798	329,731
Laser	363	1,054	827	2,539	27,762	50,957
LeBaron K	1,773	2,407	4,874	5,601	93,761	87,482
LeBaron J	541	0	822	0	831	0
LeBaron GTS	1,663	2,043	3,872	5,373	66,985	71,018
Fifth Avenue	2,556	3,405	6,571	5,844	106,897	109,010
New Yorker	1,660	1,811	4,342	4,520	57,653	57,413
Total Chrysler	8,556	10,720	21,308	23,877	353,888	375,880
Omni	3,119	1,928	7,861	4,686	97,634	71,473
Shadow	2,240	0	5,864	0	20,140	0
Charger	825	1,244	1,940	3,264	50,196	57,171
Daytona	393	1,352	942	3,197	35,768	49,533
Aries	4,296	3,836	12,118	8,799	108,051	116,284
Lancer	934	1,306	2,402	3,217	47,996	49,615
Diplomat	600	605	1,862	1,465	34,656	34,919
Dodge 600	1,757	1,424	3,736	3,622	62,336	55,330
Total Dodge	14,184	11,695	36,725	28,250	456,777	434,325
CHRYSLER CORP.	35,695	31,148	91,858	74,020	1,173,463	1,139,936
EXP	0	156	0	396	0	17,927
Escort	15,554	16,672	36,155	37,652	402,181	420,690
Mustang	5,346	4,613	11,695	10,602	167,699	157,821
Tempo	10,839	8,001	24,907	17,810	265,382	281,144
Taurus	15,284	3,305	42,930	4,056	263,450	4,056
Thunderbird	4,053	5,550	10,721	10,396	140,713	157,209
LTD	0	3,844	0	7,525	23,587	185,014
Crown Victoria	5,353	3,821	13,454	8,936	134,129	162,334
Total Ford Division	56,429	45,962	139,862	97,373	1,397,141	1,386,195
Lynx	2,002	3,187	5,152	7,068	65,497	85,871
Topaz	2,723	1,713	6,083	4,128	67,499	73,098
Sable	4,603	1,858	11,275	2,430	98,593	2,430
Cougar	3,375	3,954	7,308	8,156	114,270	119,225
Capri	961	349	1,135	896	12,647	15,389
Marquis	0	1,551	0	3,063	10,180	87,844
Grand Marquis	5,594	3,524	14,217	8,209	123,096	135,202
Total Mercury	19,278	16,136	45,170	33,950	491,782	519,059
Continental	908	846	2,455	2,007	20,629	27,679
Lincoln	7,328	3,950	17,267	10,465	133,175	117,606
Mark VII	1,225	642	3,130	1,554	23,780	19,853
Total Lincoln	9,461	5,438	22,852	14,026	177,584	165,138
Total L-M Division	28,739	21,574	68,022	47,976	669,366	684,197
FORD MOTOR COMPANY	85,168	67,536	207,884	145,349	2,066,507	2,070,392
Skyhawk	2,054	2,301	4,124	6,644	72,384	85,639
Skylark	0	0	0	151	2,522	54,513
Somerset Regal	2,347	2,876	6,290	6,823	111,744	95,098
Century	7,456	6,671	16,921	16,690	240,747	234,508
Regal	1,668	1,666	4,325	5,614	78,340	112,590
LeSabre	5,755	1,403	14,748	4,232	132,406	115,212
Electra	2,570	2,729	6,969	9,397	107,999	99,185
Riviera	611	623	1,781	1,787	23,292	48,834
Total Buick	22,461	18,269	55,158	51,338	769,434	845,579
Cimarron	624	1,039	1,531	2,356	23,435	23,754
Seville	630	635	1,936	1,612	21,150	29,034
Cadillac	7,079	8,270	19,941	18,139	235,206	187,664
Eldorado	655	934	1,783	2,361	24,266	58,310
Total Cadillac	8,988	10,898	25,191	24,468	304,057	298,762
Chevette	2,279	3,005	8,485	7,323	74,389	129,927
Nova	2,196	4,010	6,140	7,793	170,507	35,594
Cavalier	8,175	16,458	23,236	39,184	357,112	431,031
Citation	0	81	0	393	1,033	43,677
Camaro	2,860	3,963	8,135	10,335	163,204	199,985
Celebrity	14,287	9,469	36,252	24,996	408,946	363,619
Corsica/Beretta	1,500	0	7,251	0	12,879	0
Monte Carlo	2,375	2,598	6,652	7,186	111,247	112,585
Chevrolet	5,984	6,707	17,651	18,019	226,132	245,826
Corvette	819	1,212	2,338	3,161	33,027	37,956
Total Chevrolet	40,475	47,503	116,140	118,390	1,558,476	1,600,200
Firenza	663	1,153	2,500	3,694	34,113	49,580
Calais	2,584	1,603	7,265	5,927	116,018	122,810
Cutlass Ciera	10,374	7,861	23,179	20,400	329,930	333,585
Cutlass Supreme	3,673	5,020	9,472	11,841	191,937	217,504
Olds 88	5,823	2,876	15,708	9,418	261,260	188,129
Olds 98	2,975	2,482	7,967	9,612	109,370	122,421
Toronado	328	329	1,029	1,074	16,762	32,093
Total Oldsmobile	26,420	21,324	66,120	61,966	1,059,390	1,066,122
Fiero	1,864	1,979	4,034	4,022	68,340	90,303
1000	360	494	1,071	1,414	18,329	22,424
Sunbird	3,282	3,786	6,331	8,632	104,216	116,837
Firebird	2,902	2,007	6,474	5,296	94,241	100,160
Grand Am	8,739	4,368	19,936	11,736	205,254	121,273
6000	6,160	4,981	14,660	12,146	199,443	165,728
Bonneville/Gr. Prix	876	1,570	2,188	3,406	41,588	52,972
Grand Prix	0	1,406	0	2,986	35,650	57,153
Parisienne/Bonn.	3,293	1,955	8,600	4,862	74,380	69,049
Total Pontiac	27,476	22,546	63,294	54,500	841,441	796,795
GENERAL MOTORS	125,820	120,540	325,903	310,662	4,532,798	4,607,458
VOLKSWAGEN	2,873	2,668	5,558	5,836	73,912	77,535
HONDA	13,427	3,063	24,931	8,796	235,247	145,976
NISSAN	3,679	2,480	8,417	5,753	52,602	39,794
TOYOTA	2,625	0	4,179	0	7,281	0
DOMESTIC TOTAL	271,615	231,592	673,078	556,003	8,214,663	8,204,540
IMPORT TOTAL			322,235	259,207	3,237,647	2,836,973
INDUSTRY TOTAL			995,313	816,210	11,452,310	11,041,513

Car-truck sales smash record in

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — For anyone covering news about the auto industry in the United States, 1986 was a bumper-crop year. It had everything from record sales of imports and distress selling of domestics through cut-rate financing to price increases and limited-option price leaders.

It was a spotty year, not a boom period, but one in which some sales high points were reached.

Total vehicle sales in 1986 rose to a record 16,312,310 units, up 3.75 percent from the 15,721,966 units sold in calendar 1985, according to data gathered by Automotive News.

New-car sales rose above the 11 million mark for the second year running — totaling a record 11,452,310 units against 11,041,513 units delivered the year. The previous record was 11,446,589 in 1973.

New-truck deliveries, largely a reflection of increasing versatility of the rugged vehicles and husky sales of minivans, climbed to an estimated 4,860,000, up 3.84 percent from 4,680,453 in 1985. The 1986 figure is an estimate because all medium-duty and heavy-duty numbers had not been reported at presstime.

Where the market was December, 1986

	Total Sales	Pct. of Total
SUBCOMPACT	137,554	13.82%
COMPACT	129,684	13.03%
INTERMEDIATE	245,064	24.62%
STANDARD	87,609	8.80%
LUXURY	73,167	7.35%
IMPORT	322,355	32.38%
TOTAL	995,313	100.00%

Where the market was in 1986

	Total Sales	Pct. of Total
SUBCOMPACT	1,633,792	14.27%
COMPACT	1,708,806	14.92%
INTERMEDIATE	3,013,010	26.31%
STANDARD	1,003,502	8.76%
LUXURY	855,553	7.47%
IMPORT	3,237,647	28.27%
TOTAL	11,452,310	100.00%

Final figures for light trucks were 4,601,606 in 1986, up 4.63 percent from 4,397,705 in 1985.

Sales of imported cars seemed to shoulder aside woes stemming from major switches in dollar-yen relationships. They climbed steadily through the year to close at a record high in spite of price increases that were the result of the dollar's loss against the yen.

Import sales last year by reporting makes totaled 3,237,647 units, up 14.12 percent from the 2,836,973 units sold in the preceding 12 months.

The sales total included 8,214,663 domestic cars in 1986, up 0.12 percent from the 8,204,540 units sold a year earlier.

Chrysler Motors sold more vehicles in the United States than ever before. Tom Pappert, vice president of sales, said his company was looking for a strong showing in 1987.

The company finished the year with domestic car sales at the third highest in Chrysler's history.

Said Pappert: "We have more all-new product coming in 1987. For starters, the V-6 Plymouth Voyager and the Dodge Caravan will be added to our mini-wagon line in January and the Chrysler LeBaron Coupe debuts in February with more new products each month for the first half of the year."

General Motors' car sales were the best since 1979, and Chevrolet, Pontiac and Cadillac increased sales over 1985.

"We expect 1987 will be a year of continued good business for the industry, said Claude N. Moore, vice president in charge of the GM Customer Sales and Service Staff. "The economy will continue to expand, personal income will grow and consumer confidence will remain at a high level."

Moore added: "GM will have a number of all-new vehicles in dealer showrooms between now and spring, including Chevrolet Corsica and Beretta, Pontiac Bonneville and LeMans, Cadillac Allante and the all-new Chevy and GMC pickups."

Pontiac General Manager J. Michael Losh called 1986 an outstanding year. "Not only was it our best year since 1978, it was only 56,000 sales short of our record of 897,000 set in 1985," he said.

Losh added: "Pontiac continues to be a strong force in the domestic automobile market despite fluctuating sales throughout the industry. We've maintained a strong selling posture."

Sales of the Pontiac Grand Am and 6000 set records in 1986.

Oldsmobile General Manager William W. Lane said 1986 was the fourth year in which his division has sold more than one million cars. It was Oldsmobile's second best year, topped only by the record set in 1985, he said. Rod Hayden, senior vice president and general manager, Mazda Motors of America (Central) and James Trado, senior vice president, Mazda Motors of America (East) issued a statement on their organizations' record car and truck sales.

"Strong customer acceptance of our passenger cars and trucks were responsible," they said.

Because of holiday shutdowns across the industry, December sales reports were delayed.

In the 10-day period, Dec. 11-20, domestic-car sales climbed 27.56 percent from the year-earlier period to total 210,654 units. They were up sharply against 165,132 a year earlier, but they were well below the record of 256,981 units set in mid-December 1972.

Honda led the way with a startling 107.44-percent sales gain in sales of its U.S.-built models; capacity at its Marysville, Ohio, plant was expanded this year. Ford Motor Co.'s sales rose 65.64 percent, led by Taurus and Sable. Nis-

U.S. CAR SALES BY MARKETING UNITS

	Dec., 1986	Dec., 1985	12 Mos., 1986	12 Mos., 1985
Chevrolet	127,558	127,813	1,718,839	1,685,060
Ford	139,862	97,373	1,397,141	1,386,195
Oldsmobile	66,120	61,966	1,059,390	1,066,122
Toyota	75,538	53,745	641,087	620,047
Pontiac	63,294	54,500	841,441	796,795
Buick	55,158	51,338	769,434	845,579
American Honda	74,517	49,662	693,515	552,389
Nissan	47,159	45,023	546,151	575,166
Dodge	42,575	35,072	525,462	488,788
Mercury	45,928	34,838	506,097	528,033
Plymouth	39,556	28,577	427,070	380,481
Chrysler	22,311	23,877	356,460	375,880
VWoA	21,192	22,454	277,027	292,104
Hyundai	22,412	—	168,882	—
Cadillac	25,191	24,468	304,057	298,762
Mazda	28,299	25,468	222,716	211,093
Subaru	15,468	16,246	183,242	178,175
Lincoln	22,852	14,026	177,584	165,138
Volvo	2,140	4,321	113,267	104,267
BMW	10,472	7,651	96,759	87,832
Mercedes	13,692	10,119	99,314	86,903
AMC-Renault	4,736	7,982	77,005	130,654
Saab	3,677	3,412	47,414	38,243
Mitsubishi	5,438	3,601	49,436	49,734
Yugo	4,299	1,698	35,959	3,895
Porsche	3,547	2,484	30,471	25,306
Jaguar	2,757	3,114	24,464	20,528
Isuzu	4,662	1,918	38,910	26,953
Peugeot	4,269	3,219	14,336	15,636
Alfa Romeo	574	182	8,201	4,402
Maserati	60	63	1,179	1,353
TOTAL	995,313	816,210	11,452,310	11,041,513

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Dec., 1986	Dec., 1985	12 Mos., 1986	12 Mos., 1985
Acura	9,280	—	52,869	—
Alfa Romeo	574	182	8,201	4,402
Audi	3,788	6,343	59,797	74,061
BMW	10,472	7,651	96,759	87,832
Chevrolet Spectrum	7,934	4,549	99,380	53,968
Chevrolet Sprint	3,484	4,874	60,983	30,892
Chrysler Conquest	1,003	—	2,572	—
Dodge Colt	4,043	5,181	48,249	39,724
Dodge Conquest/Vista	1,807	1,641	20,436	14,739
Honda	40,306	40,866	405,399	406,413
Hyundai	22,412	—	168,882	—
Isuzu	4,662	1,918	38,910	26,953
Jaguar	2,757	3,114	24,464	20,528
Maserati Biturbo	60	63	1,179	1,353
Mazda	28,299	25,468	222,716	211,093
Mercedes-Benz	13,692	10,119	99,314	86,903
Merkur	758	888	14,315	8,974
Mitsubishi	5,438	3,601	49,436	49,734
Nissan	38,742	39,270	493,549	535,372
Peugeot	4,629	3,219	14,336	15,636
Plymouth Colt	3,881	5,117	45,095	36,491
Plymouth Conquest/Vista	1,850	1,567	19,177	14,259
Porsche	3,547	2,484	30,471	25,306
Renault	388	395	4,152	7,205
Saab	3,677	3,412	47,414	38,243
Subaru	15,468	16,246	183,242	178,175
Toyota	71,359	53,745	633,806	620,047
Volkswagen	11,846	10,275	143,318	140,508
Volvo	2,140	4,321	113,267	104,267
Yugo	4,299	1,698	35,959	3,895
TOTAL	322,235	256,207	2,836,973	3,237,647

busy year

san's sales of cars built in this country rose 50.52 percent while Chrysler's rose 23.15 percent. GM deliveries climbed 11.48 percent in the 10-day period.

Declines in the middle 10 days of the month were posted by American Motors with a drop of 36.57 percent and Volkswagen's domestically built cars with a falloff of 27.29 percent.

Toyota, which began producing the Corolla FX-16 in this country in 1986 via New United Motor Manufacturing Inc., a joint venture with GM, reported sales of 933 units in the 10-day period.

For the month's closing 10 days, gains from domestic-car sales levels in the year earlier were reported by Honda with a rise of 338.36 percent in its U.S.-built cars, Nissan with an increase of 48.34 percent in its U.S.-made cars and Ford Motor with 26.10 percent. Improvements also were reported by Chrysler Motors with a gain of 14.59 percent, Volkswagen with a 6.8-percent increase in sales of its U.S.-made cars and GM with 4.38 percent.

A decline in sales was reported by AMC which had a drop of 48.56 percent in the month's final 10-day period. Newcomer Toyota reported sales of 2,825 units.

For all of December, domestic-car builders filled a mixed bag.

Strong sales improvements were recorded by Honda with a gain of 183.43 percent compared to a year ago and Nissan with 46.30 percent. Ford had a sales pickup of 43.02 percent for the month. Chrysler Motors was up 24.09 percent and GM rose 4.90 percent.

Declines were reported at 42.69 percent for AMC and 4.76 percent for VW.

DOMESTIC SALES

	Dec. 11-20, 1986	Dec. 11-20, 1985
Renault		
Alliance-Encore	965†	1,450†
AMC	145†	300†
AMERICAN MOTORS	1,110	1,750
Chrysler	6,867	7,275
Plymouth	10,595	6,966
Dodge	11,129	8,975
CHRYSLER MOTORS	28,591	23,216
Ford	42,575	24,996
Mercury	13,417	8,836
Lincoln	6,566	3,935
FORD MOTOR CO.	62,558	37,767
Buick	17,336	15,738
Cadillac	8,558	6,426
Chevrolet	39,760	35,486
Oldsmobile	21,233	21,325
Pontiac	19,076	16,074
GENERAL MOTORS	105,963	95,049
VOLKSWAGEN	1,465	2,015
HONDA	7,302	3,520
NISSAN	2,732	1,815
TOYOTA	933	0
U.S. INDUSTRY TOTAL	210,654	165,132

†—Estimate

DOMESTIC SALES

	12 Months 1986	12 Months 1985
Renault		
Alliance-Encore	65,115†	110,673†
AMC	7,738†	12,776†
AMERICAN MOTORS	72,853	123,449
Chrysler	353,888	375,880
Plymouth	362,798	329,731
Dodge	456,777	434,325
CHRYSLER MOTORS	1,173,463	1,139,936
Ford	1,397,141	1,386,195
Mercury	491,782	519,059
Lincoln	177,584	165,138
FORD MOTOR CO.	2,066,507	2,070,392
Buick	769,434	845,579
Cadillac	304,057	298,762
Chevrolet	1,558,476	1,600,200
Oldsmobile	1,059,390	1,066,122
Pontiac	841,441	796,795
GENERAL MOTORS	4,532,798	4,607,458
VOLKSWAGEN	73,912	77,537
HONDA	235,247	145,976
NISSAN	52,602	39,794
TOYOTA	7,281	0
U.S. INDUSTRY TOTAL	8,214,663	8,204,542

†—Estimate

Light-Duty December, Year-to-Date Sales

	December 1986	December 1985	Year-to-Date 1986	Year-to-Date 1985
Vans	18,714	12,622	180,395	182,079
Aerostar	15,142	7,916	150,049	30,324
Club Wagon	2,946	2,126	27,374	31,575
Ranger	21,489	19,514	269,490	247,042
Bronco	5,278	4,618	49,588	52,281
Bronco II	9,571	7,259	103,020	104,934
Pickups	43,649	38,683	544,969	562,507
Ford	**116,789**	**92,738**	**1,324,885**	**1,210,742**
Vans	8,473	11,530	134,977	150,868
Sportsvan	1,039	1,550	15,614	21,005
Astro	14,658	10,456	147,932	106,157
S-10	14,949	14,431	203,416	210,051
S-10 Blazer	12,124	16,492	159,820	187,234
El Camino	1,520	2,585	21,508	21,816
Blazer	3,102	4,432	41,893	46,298
Suburban	5,176	5,064	61,226	58,906
Pickups	32,961	37,626	443,051	476,048
Chevrolet	**94,002**	**104,166**	**1,229,437**	**1,278,383**
Vans	6,411	4,127	73,706	63,250
Ram Wagon	2,882	3,048	39,843	40,095
Voyager	11,730	9,709	110,083	106,492
Caravan	11,633	10,631	115,964	113,550
Mini Ram Van	1,160	1,757	14,587	22,785
Ram 50	7,631	5,732	78,706	70,317
Raider	1,301	0	4,768	0
Ramcharger	1,845	1,376	23,006	29,325
Dakota	10,879	0	29,045	0
Pickups	9,712	9,551	106,451	160,574
Chrysler	**65,184**	**45,931**	**596,159**	**506,388**
Vans	3,802	3,335	39,622	40,607
Safari	3,546	2,406	31,178	24,892
S-15	3,354	3,027	46,084	46,953
S-15 Jimmy	3,109	3,463	39,027	42,239
Jimmy	871	945	9,390	9,094
Caballero	165	249	2,542	2,604
Suburban	2,019	1,420	19,981	17,888
Pickups	8,469	9,878	112,799	121,435
P Model	654	285	4,665	6,482
W-4	139	69	1,292	80
GMC	**26,128**	**25,077**	**306,580**	**312,274**
Wrangler/CJ	4,059	3,627	35,334	39,067
Wagoneer	1,336	1,777	12,800	14,102
Cherokee	10,517	9,950	107,225	98,874
Grand Wagoneer	2,309	2,214	17,254	17,809
Comanche	3,028	2,886	33,386	9,557
J-10/J-20	100	189	1,515	1,980
Jeep	**21,349**	**20,643**	**207,514**	**181,389**
Toyota	35,204	32,884	384,916	329,930
Nissan	20,375	15,550	223,551	255,601
Mazda	14,742	10,125	157,127	115,464
Isuzu	9,349	7,977	88,720	78,149
Mitsubishi	3,772	1,906	34,985	26,739
Suzuki	6,795	1,607	47,732	2,646
Imports	**90,237**	**70,049**	**937,031**	**808,529**
Industry Total	**413,689**	**358,604**	**4,601,606**	**4,397,705**

*Nissan includes domestically-built units in Tennessee

Truck sales soar to peak of 4,680,000; Ford leads

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck sales in 1986 set a record for the third consecutive year because of the continuing popularity of light trucks.

Overall, the industry sold an estimated 4,860,000 trucks last year, up from 4,680,458 in 1985 and 4,092,803 in 1984.

Final numbers from medium and heavy-truck manufacturers were not available.

According to manufacturers' reports, light-truck sales totaled 4,601,606 last year, up 4.6 percent from 4,397,705 in calendar 1985. The 1984 total was 3,815,728.

In the race for industry leadership, Ford recaptured the title it lost to Chevrolet in 1985. Ford sold 1,381,438 trucks in calendar 1986 vs. Chevrolet's 1,247,594.

Ford's total truck sales were up 8.6 percent from 1,271,809 in 1985.

Chevrolet's total sales were off slightly from 1,300,130 in 1985.

The F-series full-sized Ford pickup, with 544,969 sales, was the best-selling nameplate in the auto/truck industry.

Chevrolet's full-sized pickup line, with 443,051 sales, was the top-volume line at General Motors.

Jeep had its second consecutive record year with sales of 207,514, up 14.4 percent from 181,389 in 1985.

GMC's total light, medium and heavy sales of 345,047 were off from 1985's record 352,129.

Similarly, GMC's light-duty total of 306,580 was off from the record 312,274 in 1985.

Chrysler Motors, with 596,159 sales, was off by a small percentage from its 606,388 sales in 1985.

Most imports, with the notable exception of Nissan, also set records.

Toyota hit a new high of 384,916, up 16.7 percent from 329,930 in 1985.

Mazda's sales of 157,127 trucks were up by an even more dramatic 36.1 percent from 115,464 in 1985.

Isuzu hit a new high of 88,720, up from 78,149. Mitsubishi reached 34,985, up from 26,739.

And Suzuki, in its first full year on the market, sold 47,732 Samurais compared to 2,646 in 1985.

Nissan, which went through a phase-in, phase-out transition of old and new truck models last year, saw its sales fall to 223,551 from 255,601 in 1985.

Industrywide December sales were extremely strong, as many truck buyers rushed to take advantage of tax benefits before the new law came into effect.

The industry retailed 413,689 light trucks in December, up 15.4 percent from 358,604 last year.

Runaways on rise?

Safety group warns of heavier toll in '87

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Center for Auto Safety is predicting more "sudden acceleration" problems in the coming year because of increased use of electronic controls in 1987 models.

In a year-end statement, the safety group said the problem has been occurring as drivers shift from park to drive or reverse in computer-equipped cars.

According to the center, sudden acceleration problems in 1986 caused 400 accidents resulting in 200 injuries and 12 deaths. Half of those, it said, were in Audi 5000 models, which, the group said, have a "runaway" rate 10 to 30 times worse than other models.

In addition, NHTSA is investigating sudden acceleration in 1982-85 General Motors J-cars, 1980-85 Nissan 280-Z/300-Z cars, 1981-84 Toyota Cressidas and the 1986 Mercedes 300-E.

While NHTSA has dropped investigation of many sudden-acceleration complaints, there are two "runaway" incidents that the safety group has asked NHTSA to consider. They are:

- On Oct. 11, 1986, Un Ha Choe, of Lexington, Ky., was killed when, for the second time that year, her 1985 Audi 4000-S allegedly accelerated unexpectedly and crashed. Audi had no immediate comment.
- On Dec. 30, 1986, a Nissan 200-SX driven by Sara McLeod of Lake Charles, La., allegedly went into reverse at a Dallas mall and killed a pedestrian.

Sam Cole, a spokesman for the Center for Auto Safety, said the Department of Transportation refused requests to investigate the 200-SX. However, Hal Paris, a spokesman for NHTSA — an arm of DOT — said a Texas A&M engineer has been directed to examine the 200-SX and report back to the agency.

Cole said his group has forwarded complaints to DOT claiming the Datsun 280-ZX and 300-ZX can suddenly accelerate out of control.

Japanese consumer groups investigating the problem blame the sudden acceleration on a faulty cruise control system in Nissan models, but the manufacturer disagrees, said Cole.

William Pauley, a spokesman for Nissan in Los Angeles, said the company is unaware of problems with the 200-SX and just learned of the Dallas accident.

"We intend to investigate to the fullest extent we're allowed, but as far as I know there is no problem with the car," Pauley said.

The safety center also said that homicide charges are pending against drivers in two Boston sudden-acceleration cases, one involving an Audi 5000, the other a 1985 Oldsmobile Cutlass Supreme. Earlier in 1986, the center said, a Chicago woman driving a Nissan Z-car was acquitted of homicide in an accident that killed two people.

Ratings plunge for GM, Smith, but soar for Ford, Petersen

NEW YORK — General Motors has taken another fall — this one in Fortune magazine's ranking of most-admired corporations. GM Chairman Roger B. Smith fell just as far — from The Gallagher Report's 1985 ranking as one of the 10 best chief executives to the newsletter's 1986 list of the 10 worst.

Meanwhile, Ford Motor Co. and its chairman, Donald Petersen, moved to the top of both publications' rankings.

GM plummeted from 16th to the 109th spot in the annual Fortune ranking of 300 companies. The poll was published in the Jan. 19 issue.

The magazine cited sagging GM profits, cutbacks in Saturn production and the planned closing of nine plants and parts of two others employing some 29,000 workers.

GM dropped in all eight attributes of reputation rated by Fortune. Most notably, GM's quality of management sank from No. 13 to No. 153.

The Fortune poll is based on the opinion of more than 8,200 business executives, outside directors and financial analysts. The individuals were asked to rank companies in their industries based upon eight measures of reputation.

The eight attributes are: quality of management; quality of products or services; innovativeness; long-term investment value; financial soundness; ability to attract, develop and keep talented people; community and environmental responsibility; and use of corporate assets.

Ford Motor Co. ranked first among motor vehicle and parts manufacturers, based on the success of its Taurus and Sable models. Ford was ranked second last year. GM had held the top spot last year, but fell to fourth this year.

Moving up one notch each from last year: Chrysler Corp. to second place, Dana Corp. to third, Paccar to fifth and Borg-Warner Corp. to sixth.

Mack Trucks, unranked last year, was No. 7 this year. Fruehauf, Navistar International and American Motors Corp. retained eighth, ninth and 10th places, respectively. AMC was the lowest ranked auto company on the full listing of 300 companies, taking the 298th spot.

The Gallagher Report, a New York-based weekly executive newsletter, said Smith was picked for its list of worst executives mainly because of the $750 million buyout of H. Ross Perot, former GM director and chief executive officer of Electronic Data Systems, and three Perot associates.

The same newsletter last year named Smith as one of the 10 best CEOs for companies with annual sales over $1 billion. In 1983, the newsletter placed Smith on the 10 worst list because GM did not recall X-cars with alleged brake problems.

Named to the Gallagher top 10 for 1986 was Ford's Petersen. The newsletter praised Petersen for Ford's consistent performance and for topping GM profits for 1986.

Eurotek/AMG in Arizona

SCOTTSDALE, Ariz. — Eurotek/AMG is the first AMG parts and installation center in Arizona. The firm will offer a complete line of AMG tuning and body enhancement products for Mercedes-Benz vehicles. AMG has U.S. headquarters in Westmont, Ill.

PRODUCTION

December build rises

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Production of domestic cars last month was the highest for any December in three years.

The month's output totaled 586,025, the best December since 1983 when 614,038 cars were assembled.

December's output was 0.55 percent below November's 589,253 but 8.31 percent higher than the year-ago month's 541,031.

Automakers built 66,909 cars during the final two working days in December (Dec. 22-23).

The first week of production for 1987 was targeted at 147,166 units, 15.20 percent below the year-ago week's 173,542.

This year's total of 147,166 cars is 37.59 percent below the 235,820 completed last year at this point. Production resumed Jan. 5 this year, Jan. 2 in 1986.

Last week's scheduled output was shared as follows: General Motors, 45.64 percent; Ford Motor Co., 28.28 percent; Chrysler Motors, 16.44 percent; Honda of America Manufacturing Inc., 4.81 percent; New United Motor Manufacturing Inc., 2.85 percent; and Nissan Motor Manufacturing Co., U.S.A., 1.98 percent.

American Motors' Kenosha, Wis., plant and Volkswagen of America's Westmoreland, Pa., plant were down last week for inventory adjustment. The plants are expected to resume output today (Jan. 12).

The following GM plants will be until Jan. 19 for inventory adjustment: Flint, Mich.; Fairfax, Kans.; Pontiac, Mich. (Fiero and G-cars); Norwood, Ohio; and Van Nuys, Calif.

Ford slated overtime Saturday (Jan. 10) at its Dearborn, Mich., plant.

Saturday overtime was scheduled at Chrysler's Belvidere, Ill.; Newark, Del.; and Sterling Heights, Mich., plants. Those plants are slated for daily overtime this week (Jan. 12).

Trucks open '87 on higher note

Returning to work after the holidays, domestic truckmakers scheduled output of 75,983 units last week, 8.73 percent more than the year-ago week's 69,882.

The last two days of production in 1986 (Dec. 22-23) totaled 29,141.

December's truck build of 234,774 was 7.70 percent below November's 254,380 and 2.72 percent below the year-ago month's 241,341.

Ford Motor Co. slated overtime Saturday (Jan. 12) at its Wayne, Mich., and Kansas City, Mo., plants.

Big December for Canadian cars

December's auto production in Canada was the highest for that month in eight years.

The month's output totaled 82,894, the best for any December since 1978 when 85,377 cars were built.

December's production was 13.98 percent below November's 96,366 but was 11.07 percent more than the year-ago month's 74,634.

Automakers assembled 9,360 units in the final two days of 1986 production (Dec. 22-23).

The makers opened the year by scheduling production of 17,158 cars last week, down 9.59 percent from the year-ago week's 18,979.

The year's total of 17,158 is down 31.93 percent from the 25,205 completed at this time last year.

December's truck output of 46,943 was 3.69 percent below November's 48,746 and 18.84 percent below the year-ago month's 55,790.

Production for the last two working days of 1986 totaled 5,013 trucks.

Last week's targeted truck output of 15,781 was 13.00 percent below the year-ago week's 18,139.

CANADIAN CAR	Week Ended Jan. 10, 1987	Week Ended Jan. 11, 1986	Week Ended Dec. 27, 1986	Dec. Total	Jan. 1 to Jan. 11, 1986	Jan. 1 to Jan. 10, 1987
AMERICAN MOTORS	150	407	0	244	410	150
FORD MOTOR	11,160	11,380	4,597	37,644	15,668	11,160
GENERAL MOTORS	5,600	6,967	4,673	44,217	8,836	5,600
VOLVO	248	225	90	789	291	248
Total Cars, Canada	17,158	18,979	9,360	82,894	25,205	17,158

U.S. TRUCK☆	Week Ended Jan. 10, 1987	Week Ended Jan. 11, 1986	Week Ended Dec. 27, 1986	Dec. Total	Jan. 1 to Jan. 11, 1986	Jan. 1 to Jan. 10, 1987
CHEVROLET	22,347	24,638	8,214	67,044	35,058	22,347
DODGE	4,100	0	1,940	0	0	4,100
FORD	32,186	29,097	12,549	109,308	38,324	32,186
GMC	7,629	7,050	2,562	24,890	11,006	7,629
NAVISTAR	1,597	1,390	648	5,500	2,084	1,597
JEEP	4,044	5,655	1,589	14,141	8,077	4,044
NISSAN	1,730	2	699	5,901	0	1,730
AM GENERAL*	50	50	20	170	72	50
MISCELLANEOUS*	2,300	2,000	920	7,820	3,000	2,300
Total Trucks, U.S.	75,983	69,882	29,141	234,774	97,621	75,983

CANADIAN TRUCK	Week Ended Jan. 10, 1987	Week Ended Jan. 11, 1986	Week Ended Dec. 27, 1986	Dec. Total	Jan. 1 to Jan. 11, 1986	Jan. 1 to Jan. 10, 1987
AMERICAN MOTORS	625	0	0	967	0	625
CHRYSLER	8,964	9,175	3,067	30,606	13,068	8,964
FORD	3,496	3,627	1,289	10,044	4,809	3,496
GENERAL MOTORS	2,496	5,174	578	4,647	9,359	2,496
NAVISTAR	200	163	79	679	231	200
Total Trucks, Canada	15,781	18,139	5,013	46,943	26,467	15,781
N. American Trucks	91,764	88,021	34,154	281,717	124,088	91,764

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Jan. 10, 1987	Week Ended Jan. 11, 1986	Week Ended Dec. 27, 1986	Dec. Total	Jan. 1 to Jan. 11, 1986	Jan. 1 to Jan. 10, 1987
AMERICAN MOTORS	0	0	0	1,492	0	0
Renault Total	0	0	0	1,492	0	0
Alliance	0	0	0	1,492	0	0
Encore	0	0	0	0	0	0
CHRYSLER MOTORS	24,200	33,320	9,169	85,240	41,919	24,200
Plymouth Total	9,100	9,901	3,410	32,091	12,255	9,100
Horizon	3,800	3,791	1,274	12,487	4,673	3,800
Sundance	2,200	0	761	7,558	0	2,200
Reliant	2,300	4,439	1,068	9,234	5,477	2,300
Caravelle	800	1,472	307	2,812	1,879	800
Gran Fury	0	199	0	0	226	0
Chrysler Total	4,700	11,871	1,895	16,903	14,927	4,700
Laser	0	1,044	0	0	1,425	0
LeBaron	1,400	2,851	503	4,587	3,786	1,400
LeBaron J Coupe	1,200	0	425	3,464	0	1,200
LeBaron GTS	900	2,434	332	3,456	2,914	900
New Yorker/E-Class	1,200	1,808	635	5,396	2,205	1,200
Fifth Avenue	0	3,734	0	0	4,597	0
Dodge Total	10,400	11,548	3,864	36,246	14,737	10,400
Daytona	500	1,079	235	2,177	1,426	500
Omni	3,400	3,535	1,206	11,598	4,739	3,400
Shadow	2,000	0	747	6,863	0	2,000
Aries	2,800	2,709	971	9,138	3,493	2,800
Dodge 600	1,000	1,743	432	3,806	2,221	1,000
Lancer	700	1,900	273	2,664	2,171	700
Diplomat	0	582	0	0	687	0
FORD MOTOR	41,620	33,630	16,641	145,176	44,550	41,620
Ford Division	28,834	22,452	11,395	101,053	29,814	28,834
Escort	7,611	7,651	2,983	26,876	10,195	7,611
EXP	0	0	0	0	0	0
Mustang	5,330	3,910	1,766	14,817	5,140	5,330
Tempo	4,009	4,686	1,870	16,880	5,993	4,009
LTD	0	0	0	0	0	0
Taurus	9,605	2,548	3,772	34,007	3,587	9,605
Thunderbird	2,279	3,657	1,004	8,473	4,899	2,279
Crown Victoria	0	0	0	0	0	0
L-M Division	12,786	11,178	5,246	44,123	14,736	12,786
Mercury Total	8,803	7,506	3,618	29,658	9,874	8,803
Lynx	1,299	1,508	458	4,368	2,024	1,299
Capri	0	680	0	0	918	0
Topaz	1,274	1,582	330	3,557	2,011	1,274
Cougar	3,424	2,454	1,511	10,849	3,118	3,424
Marquis	0	0	0	0	0	0
Sable	2,806	1,282	1,319	10,884	1,803	2,806
Grand Marquis	0	0	0	0	0	0
Lincoln Total	3,983	3,672	1,628	14,465	4,862	3,983
Continental	397	509	162	1,449	675	397
Lincoln	2,987	2,757	1,220	10,849	3,648	2,987
Mark VII	599	406	246	2,167	539	599
GENERAL MOTORS	67,147	96,930	35,728	302,469	135,217	67,147
Buick Total	11,528	17,871	5,906	58,468	26,415	11,528
Skyhawk	0	1,877	745	4,591	2,668	0
Century	4,484	6,425	2,160	18,961	9,270	4,484
Regal	0	611	556	5,558	835	0
Skylark (X-car)	0	0	0	0	0	0
Somerset/Skylark	2,225	2,295	953	9,184	2,832	2,225
LeSabre (fwd)	2,110	1,164	1,249	10,113	3,005	2,110
LeSabre/Electra (rwd)	0	253	152	1,224	395	0
Electra(fwd)	1,841	4,934	719	6,179	6,717	1,841
Riviera	868	312	372	2,658	693	868
Cadillac Total	6,661	4,582	2,918	26,227	6,784	6,661
Cimarron	548	387	141	1,179	624	548
Allante	33	0	16	53	0	33
Brougham (rwd)	1,680	345	1,599	5,041	433	1,680
DeVille (fwd)	2,759	3,285	478	15,052	4,462	2,759
Eldorado	631	316	264	2,609	749	631
Seville	1,010	249	420	2,293	516	1,010
Chevrolet Total	21,562	35,424	12,015	98,387	47,914	21,562
Chevette	0	2,843	920	9,040	3,877	0
Camaro	0	4,911	1,283	8,141	6,874	0
Cavalier	7,074	9,850	3,476	25,857	13,311	7,074
Celebrity	8,515	6,697	2,646	20,869	8,474	8,515
Citation	0	0	0	0	0	0
Corsica/Beretta	3,495	0	791	8,109	0	3,495
Monte Carlo	398	2,679	647	6,327	3,827	398
Chevrolet	1,440	8,444	1,993	17,833	11,551	1,440
Corvette	640	0	259	2,211	0	640
Oldsmobile Total	14,072	23,332	6,572	58,296	32,477	14,072
Firenza	0	1,048	363	1,890	1,446	0
Calais	2,575	3,183	1,008	9,835	4,157	2,575
Cutlass Ciera	4,245	6,896	1,842	15,453	11,216	4,245
Cutlass Supreme	0	4,357	345	3,817	5,197	0
88 (fwd)	4,864	3,939	1,707	15,889	5,270	4,864
88 (rwd)	480	952	74	1,415	1,077	480
Olds 98	1,287	2,731	948	8,090	3,620	1,287
Toronado	621	226	285	1,907	494	621
Pontiac Total	13,324	15,721	7,317	61,091	21,627	13,324
Acadian*	0	210	45	1,931	9	0
Fiero	0	0	674	6,034	0	0
1000	0	529	192	0	781	0
Firebird	0	2,701	749	4,820	3,684	0
2000 Sunbird	2,818	2,791	924	6,296	4,328	2,818
Grand Am	5,210	4,443	2,079	19,470	5,585	5,210
6000	1,896	2,362	1,096	9,702	3,493	1,896
Bonneville	3,400	0	1,408	11,564	0	3,400
Safari/Parisienne	0	2,685	150	1,274	3,747	0
HONDA	7,079	3,572	1,904	21,734	5,140	7,079
Civic	2,599	0	377	5,283	0	2,599
Accord	4,480	3,572	1,527	16,451	5,140	4,480
NISSAN	2,920	1,886	1,180	9,906	3,493	2,920
NUMMI	4,200	1,900	1,474	15,146	2,300	4,200
Corolla	1,100	0	425	3,637	0	1,100
Nova	3,100	1,900	1,049	11,509	2,300	3,100
VOLKSWAGEN	0	2,304	813	4,862	3,201	0
Golf/GTI	0	2,304	713	3,862	3,201	0
Jetta	0	0	100	1,000	0	0
Total Cars, U.S.	147,166	173,542	66,909	586,025	235,820	147,166
Total Cars, Canada	17,158	18,979	9,360	82,894	25,205	17,158
N. American Cars	164,324	192,521	76,269	668,919	261,025	164,324
N. American Trucks	91,764	88,021	34,154	281,717	124,088	91,764
North American Cars and Trucks	256,088	280,542	110,423	950,636	385,113	256,088

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

NHTSA told to fine-tune operations

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Recommendations to improve NHTSA operations have been made by the Department of Transportation Safety Task Force.

Suggestions for "fine-tuning" NHTSA's work include:

- Changing the language now required in safety-related defect recall letters to make it simpler and more comprehensible.
- Trying to reduce the response time to legal petitions for reconsideration to meet the 120-day requirement.
- Speeding up the continuing review of the headlighting requirements of Standard 108.
- Reviewing other federal standards where there is technological development to ensure that use of new designs is not inhibited.
- Maintaining an active enforcement presence by ensuring testing for as many of the safety standards as possible.
- Making sure that the agency's research and development program provides direct support for setting standards.
- Revising the agency's National Accident Sampling System to provide more useful data on vehicle crashworthiness.
- Reconsidering periodically which state programs are most effective in reducing accidents, injuries and deaths and then focusing state grants under the 1966 Highway Safety Act on those areas.

The Task Force concluded generally that NHTSA is serving the public with a highly professional staff.

Ford to repair imported trucks

WASHINGTON — Ford Motor Co. has told the Center for Auto Safety it will repair blown head gaskets on any Mazda-built 1.8-liter or 2.0-liter engine used in Ford Courier trucks it formerly imported.

But the company denied there is a problem with all 1978-82 Couriers. Ford said 54 percent of the trucks were equipped with Ford-built 2.3-liter engines.

In a letter to Ford Chairman Donald E. Petersen, the Center for Auto Safety had criticized Ford for not compensating owners for engine defects. The center said 345,000 1978-1983 Couriers are "mechanically identical" to Mazda's 1978-84 B-2000 trucks.

Last year, under pressure from the center, Mazda voluntarily recalled those trucks. Mazda agreed to a 6-year/60,000-mile warranty on the head gaskets, reimbursement for owners who already had had their engines repaired, notification of owners by first-class mail and a one-year period to make claims for past repairs.

John P. King, service engineering office manager, Ford Parts and Service Division, said the company imported only 330,000 trucks during the 1978-82 model model years, not the 345,000 claimed by the center. Also, no trucks were imported during the 1983 model year, he said. Moreover, only 46 percent of them had Mazda-built engines, he said.

— Helen Kahn

Automotive News

January 19, 1987

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HIDDEN IMAGE

General Motors' new plastic-body all-purpose minivan (APV) scheduled to go into production in 1989

HOPEFUL: *GM Tarrytown workers approve pact in bid to win production of minivan*

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

UAW members at Local 664 in General Motors' North Tarrytown, N.Y., plant approved a streamlined labor agreement reducing job classifications from 700 to two within the production and non-production categories. The two classifications are team leader and team member.

The local union expects that the move will win GM's new plastic-body all-purpose minivan (APV) for Tarrytown.

The vote on the local agreement, which includes the team concept of production, was 2,407 to 589. The plant employs 4,000 workers. The vote was conducted last Wednesday.

Ray Calore, Local 664 president, said GM told the union that North Tarrytown would be in a good position to get the minivan if three elements were put in place.

Those elements were a structured quality improvement program, state funds for training and infrastructure development and a new labor agreement.

Calore said those requirements have largely been met. "We're expecting to learn any day now that we've been chosen to build the new minivan," he said.

A GM spokesman said that the new labor agreement "certainly enhances" Tarrytown's chances of getting the minivan. "We're still working feverishly with the state and local governments," he said, "but we have made significant progress."

GM is expected to make a decision soon on which plant will build the minivan, he said. The new front-drive APV is scheduled to go into production in 1989 and will be sold by Pontiac and Chevrolet. Plants in Pontiac, Mich., and Framingham, Mass., are also said to be under consideration for the vehicle.

Calore said that job classifications at North Tarrytown were reduced from about 700 to two within production and non-production functions. Non-production includes unskilled workers, material handlers and skilled tradesmen.

He said the two-classification framework allows the flexibility of adding other functions as needed — such as computer operators.

He said the team concept of production at North Tarrytown will "not be Japanese style." Calore explained that Japanese teams perform the work of a member who is absent, whereas relief men will be available for North Tarrytown teams.

Team members will have to become proficient at one other job besides their own within their team.

The team concept involves less supervision, and workers will be directly responsible for their jobs.

He said that getting the minivan would mean that the entire North Tarrytown workforce would undergo training for two-to-four-week sessions during a two-year period.

They would be trained to work with computers and robots, and welders and solderers would be trained to handle plastic and fiberglass, Calore said.

He said that about 150 GM employees from the Job Bank at the Massena, N.Y., foundry and the Linden, N.J., assembly plant would replace the North Tarrytown workers who were in school.

Ford may top GM in profits through 1988

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. will earn more than General Motors for an unprecedented three consecutive years, according to auto analysts.

Ford has not topped GM in earnings since 1924. For the past several months, however, analysts have predicted that Ford would earn more than GM in 1986.

What's more, analysts surveyed by Automotive News unanimously agreed that Ford would repeat that feat in 1987. Of the analysts who would speculate on 1988, all but one predicted that Ford would have higher earnings than GM again; the analyst who disagreed projected Ford and GM earnings would be within $200 million of each other.

The analysts say that the Big Three will report combined profits of $6.9 billion for 1986, down 15 percent from 1985's $8.1 billion. For the fourth quarter of 1986, they expect the Big Three to report combined earnings of $2.2 billion, down 32 percent from 1985's fourth-quarter total of $1.5 billion.

Ford will report earnings of $3.1 billion for 1986, while GM will report earnings of $2.6 billion, according to an average of analysts' forecasts. For Ford, that would be an increase of 24 percent over 1985 profits of $2.5 billion. For GM, it would be a drop of 35 percent from 1985's $4.0 billion. Chrysler is expected to report earnings of about $1.2 billion in 1986, down 25 percent from 1985's $1.6 billion.

EARNINGS PREDICTIONS

	GM	Ford	Chrysler
Fourth quarter			
1986 (millions)	$ 550	$868	$275
1985 (millions)	1,252	720	215
Full year			
1986 (billions)	$2.6	$3.1	$1.2
1985 (billions)	4.0	2.5	1.6
1987 (billions) ..	$2.3	$2.9	$1.2
1988 (billions) ..	$2.3	$2.7	$1.2

Source: Average of analysts' forecasts.

Chrysler and GM will announce year-end financial results Feb. 5. Ford and AMC will issue financial reports later in February.

Ford will post profits of $2.9 billion in 1987 and $2.7 billion in 1988, based on the average of analysts' forecasts. GM will report earnings of $2.3 billion for 1987 and 1988, while Chrysler earnings will be virtually flat for the next two years at $1.2 billion, according to the analysts.

While analysts unanimously agreed Ford would top GM in 1987 and most predicted the same pattern for 1988, there was a wide spread in forecasts for 1987 and

see PROFITS, page 4

GM trims output — is it enough?

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

General Motors has scaled back its first-quarter car production schedule, but analysts say it is not enough.

GM's first-quarter estimate has been cut by 35,000 units to 1,087,960. But GM's official production forecast does not yet include the cars that will be lost because of its planned cutback at the Leeds, Mo., plant. That will trim nearly 14,000 more cars from GM's first-quarter schedule.

GM will have trimmed nearly 49,000 cars from its previous schedule for the first quarter of 1987, and will build an estimated 1,074,072 cars in the quarter.

Its previous forecast for the period, issued in early December, called for GM to build 1,122,851 cars in the United States (Automotive News, Dec. 15).

But the cut may not be enough, analysts said.

"As usual, GM's eyes are bigger than its stomach," said Ronald Glantz, analyst for Montgomery Securities. For GM to bring its inventory down to a normal range, it will have to reduce its first-quarter schedule to about 960,000 cars, he said.

"GM cannot tolerate this share of total production," said Thomas O'Grady, Integrated Automotive Resources, Wayne, Pa. "We will have to see either incentives or some form of pushing sales."

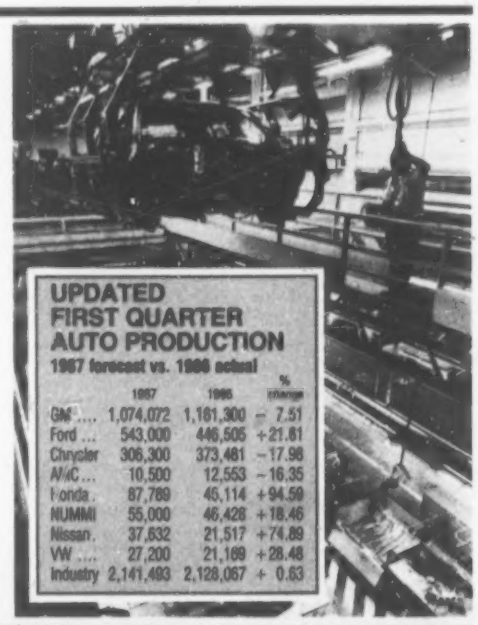
GM's estimated first-quarter schedule is 7.51 percent below its year-earlier build of 1,161,300.

GM opened the month with a 72-day supply of unsold cars. A 50-day supply is considered normal. GM's sales are expected to remain slow, and GM may have to rethink even its revised first-quarter forecast.

The company is expected to offer incentives soon, and is looking at price rollbacks on selected models, dealer cash incentives and equipment packages instead of low-interest-rate financing.

O'Grady said he hopes GM does not cut

see FORECAST, page 4



UPDATED FIRST QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	1,074,072	1,161,300	– 7.51
Ford ...	543,000	446,505	+21.61
Chrysler	306,300	373,481	–17.98
AMC ...	10,500	12,553	–16.35
Honda .	87,789	45,114	+94.59
NUMMI	55,000	46,428	+18.46
Nissan .	37,532	21,517	+74.89
VW	27,200	21,189	+28.48
Industry	2,141,493	2,128,067	+ 0.63

Audi formalizes 5000 recall, issues loaners

By Dave Zola
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Audi of America bowed to pressure from NHTSA and agreed to a formal recall to address sudden acceleration problems in 250,000 1978-86 model 5000 cars.

In addition, the importer will supply its 410 U.S. dealers with 1,000 new 1987 5000-S models to use as loaners for customers who respond to the recall.

Although NHTSA is investigating cars of several other manufacturers for sudden acceleration, Audi has the highest rate of reported incidents. There have been 800 reports involving Audi 5000s, resulting in six deaths and 250 in-

see RECALL, page 51

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Levy plans U.S. trip to look at AMC — Page 2
Studies clash on sales competence — Page 3
GM-Greyhound deal due in spring — Page 35

Studies clash on sales competence

By Geoff Sundstrom and Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTERS

New-car salespeople are adept at making customers feel at ease . . . or they are obnoxious louts who lose sales, depending on which of two new car-buyer attitude studies you believe.

The study that shows U.S. car buyers are comfortable in dealer showrooms was commissioned by the National Automobile Dealers Association and represents the first tangible results of the group's year-old, much-ballyhooed Project 2000.

The study that says objectionable sales personnel are costing auto dealers billions of dollars by driving customers to competing same-make dealers, is the work of J.D. Power and Associates, a California research and consulting firm.

The favorable information on consumer attitudes toward franchised car dealers is contained in a study by Detroit-based Market Opinion Research.

Complete results of the survey will be made public at this year's NADA convention in Las Vegas, Nev., Jan. 31-Feb. 3.

The survey of 1,106 individuals who bought a new vehicle within the last five years shows that "80 percent of the people were happy with the buying experience," according NADA President James Woulfe.

NADA supplied Automotive News with highlights of the survey showing:

- More than half of all buyers are satisfied with the way they were treated by the sales staff.
- Women were more satisfied than men with their buying experience.
- Durability, reliability, warranty and service were the primary factors in the decision to buy a particular model car.
- Dealer reputation was very important.
- Price was a very important factor.
- Location of the dealership was important.
- Test driving the car was considered a very important service offered by the dealer.
- Television and magazine advertisements were the media that caught the buyer's attention first.
- Salesmen and dealers were the most informative sources, along with manufacturers' brochures.
- Previous experience with the dealer was not considered important.

Woulfe said the survey was undertaken as the first step of Project 2000 "to find out what our customers really thought of us" without "using the material and the charts the manufacturers give us."

He said those who were surveyed "were actually people who were in on the transaction in the dealership showroom when the car was purchased."

Woulfe said the survey gave the association "somewhat a different picture from what we thought we were going to get; different from what we have been told by manufacturers and other poll takers who always kind of infer that people don't like to go to car dealerships or that people say it was a bad time of their life and they didn't enjoy themselves."

According to California-based Power, however, there are a number of people who do not enjoy certain aspects of the car-buying process

see SURVEYS, page 51

Percentage of 1983 Buyers Who Walked Because of Sales Personnel

Lincoln	3.3
Mercury	7.1
Alfa Romeo	8.3
Dodge	9.1
Mitsubishi	9.1
Ford	9.4
Jaguar	10.3
AMC/Renault	10.1
Isuzu	10.1
Audi	10.2
Plymouth	10.8
Cadillac	11.2
Chevrolet	11.2
Oldsmobile	11.2
Buick	11.7
Mercedes-Benz	11.8
Pontiac	11.8
Saab	13.4
Chrysler	13.5
Peugeot	13.6
Subaru	13.7
Nissan	13.7
Volvo	14.4
Volkswagen	15.6
Merkur	15.8
Mazda	16.7
BMW	16.9
Toyota	17.0
Porsche	17.6
Honda	18.7

Source: J.D. Power and Associates

First Allante rolls off line at $54,700

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The first Cadillac Allantes rolled out of the assembly plant last week on their way to dealer showrooms, carrying price-tags of $54,700.

Cadillac General Manager John O. Grettenberger said the $54,700 sticker should "send a signal that the car took a lot of resources, technology and dedication to produce."

The only option available on the Allante is a cellular telephone, the price for which has not been established.

Grettenberger said the Allante price is in keeping with the car's primary competition, from Jaguar, BMW, Porsche and Mercedes-Benz. In addition, he noted that the Allante has no gas-guzzler penalty whereas its competitors do.

The Allante is priced just below its head-to-head competitor, the Mercedes 560-SL coupe-roadster, which is tagged at $55,300 and has a $1,500 gas-guzzler penalty, according to Cadillac's price comparisons.

Grettenberger said the ultra-luxury two-seater will be covered by an Allante Assurance Plan, which he said goes beyond a standard warranty, though he revealed few details.

The plan will not be limited to material and workmanship defects and will cover a longer period and higher mileage than any other GM warranty, Grettenberger said.

GLENN TRIEST

Cadillac General Manager Grettenberger and the division's new product

Details of the warranty will be announced when cars arrive in dealer showrooms in the coming weeks.

Peter Levin, Cadillac merchandising director, said initial advertising will be in regional publications where the car is launched.

The first batch of Allantes left the Detroit-Hamtramck plant last Thursday bound for Los Angeles, Miami, Dallas, New York and Chicago for sale beginning in early February.

A month later, the Allante will be introduced in New York and Detroit. And the following month, it will debut in San Francisco, Boston, Philadelphia, Houston, Washington and Atlanta. It then goes nationwide.

National television advertising kicks off March 30 with spots during the NCAA basketball final and the Academy Awards broadcast. One of the two 30-second TV spots focuses on the "energy" of the car in motion, Levin said. The second emphasizes interior and luxury.

National advertising will go in upscale magazines including Architectural Digest, Connoisseur, European Travel & Life, Town & Country and W.

Direct mail will be regional and will include videos sent to potential Allante buyers.

Cadillac plans to sell 4,000 through the rest of the 1987 model year and 7,000 in its first full year of production.

Buyers are expected to be between 35 and 55 years of age and have a median household income of at least $100,000 a year. They likely already own two luxury cars. Cadillac expects the Allante to appeal to men and women equally, and the division predicts it will draw buyers of other makes, not just traditional Cadillac buyers.

The Detroit-Hamtramck plant is producing about 10 cars per day and is scheduled to reach full production of 36 per day by April. The Allante bodies are built by Pininfarina in Italy and air-freighted to the plant for final assembly.

K-car America?

Lower-priced Aries/Reliant due soon if Omni/Horizon talks with AMC fail

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors is prepared to launch a $6,995 America version of the Plymouth Reliant and Dodge Aries if negotiations with American Motors to build the Omni and Horizon fail.

Dealer sources said the car would be introduced before March 31 if the plan becomes a reality.

Introduction of the America K-cars has been placed on hold during negotiations to move production of the Omni America and Horizon America to AMC's Kenosha, Wis., plant.

The company is not expected to bring out the Aries and Reliant America models if the AMC negotiations are successful because Chrysler wants only one America model on the market.

The America program relies on a reduced sticker price that is achieved through streamlined manufacturing techniques and standardized equipment packages.

The 1987 Aries and Reliant four-door sedans are priced at $7,879. Each carries a 3.9 annual percentage rate finance incentive until Jan. 20. The $6,995 America would be a four-door in the Aries and Reliant program, as it is for Omni and Horizon America.

Chrysler has said it must decide by Jan. 30 whether to scrap the strong-selling subcompacts or build them at the AMC plant. If finalized, the Chrysler/AMC contract would continue production of the Omni and Horizon for five years at a rate of 150,000 to 200,000 units annually, according to AMC President Joseph Cappy.

Production of the Omni and Horizon subcompacts is scheduled to end in early March at Chrysler's Belvidere, Ill., assembly plant. The plant is scheduled for an $800 million conversion to produce Chrysler's next generation of large, luxury front-wheel-drive cars.

Chrysler turned to AMC for possible subcompact production after reaching an unprecedented manufacturing agreement with AMC on large cars last year. AMC will assemble the Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury at the Kenosha plant beginning in late February.

Chrysler introduced the Omni and Horizon America last May, calling the models a test of the company's ability to produce a domestic subcompact profitably. The 1987 Omni and Horizon America are priced at $5,799.

Sales of the subcompacts increased from 155,973 in 1985 to 208,726 in 1986, prompting Chrysler to seek an alternate production site.

The America's share of the subcompact segment increased 3.2 percentage points, from 5.3 percent to 8.5 percent from May through December, according to Chrysler.

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61st year—No. 5163

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Suzuki succeeds Itagaki, American Isuzu's first chief

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

WHITTIER, Calif. — Masashi Suzuki was named president of American Isuzu Motors, replacing Yukio Itagaki, the importer's only previous leader.

Itagaki is returning to Japan as president of Diesel Kiki, the largest supplier for Isuzu Motors Ltd., and a company in which Isuzu holds majority interests.

Itagaki became American Isuzu's founding president in 1980 and has seen the fledgling importer grow to a national brand.

Suzuki's engineering background and previous position as director and general manager of Isuzu's Fujisawa plant will be helpful as a Fuji Heavy Industries-Isuzu Motors joint venture plant is constructed in Indiana.

Suzuki Seki

While American Isuzu has no direct control over the plant, Suzuki's manufacturing experience will help smooth the start of production, said Jack Reilly, senior vice president of American Isuzu.

Suzuki is considered a rising young star at Isuzu, company insiders said.

Several other changes were announced at the same time.

Takesi Yoshizawa, American Isuzu's senior vice president and chief financial officer, was elected to the board of directors of Isuzu Motors and will return to Japan to take up his new post. He is replaced by Hidehiko Seki, who has been a motor vehicle division manager for C. Itoh & Co.

Jerry O'Connor, previously southwest regional manager, rejoins the headquarters staff as national field operations manager. He takes a post that has been vacant since Bill Miller moved over to corporate operations manager.

Don Bruen and Greg Sedoff switched positions. Bruen is the new regional manager for California. Sedoff becomes manager in the central region. Bob Reilly was named southwest regional manager, replacing O'Connor.

Joe Totaro succeeds Reilly as sales administration manager. Totaro's old post of regional sales manager for California is filled by Tom McDonald. Jim LeVeck becomes distribution manager, replacing McDonald.

Jon Lezon, who has been assistant distribution manager in the southwest region, fills LeVeck's old position as zone sales manager.

Finally, Robert J. McClure, 66, vice president — parts and service, becomes American Isuzu's first employee to retire.

PROFITS

FROM PAGE 1

even more so for 1988 for all of the companies.

Analysts' estimates for 1987 earnings range from $1.5 billion to $3.0 billion for GM and from $2.1 billion to $3.6 billion for Ford. Estimates for Chrysler in 1987 range from just under $1 billion to $1.6 billion.

In 1988, the forecasts vary even more. Estimates for GM earnings range from $1.1 billion to $4.1 billion. For Ford, forecasts range from $2.1 billion to $3.6 billion. And for Chrysler, the range is from just over $500 million to just over $2 billion.

The diverse forecasts relate, in part, to analysts' predictions for the general economy and for the overall vehicle market.

"I'm arbitrarily assuming a recession in 1988," said Ronald Glantz, of Montgomery Securities. His forecasts for 1988 are among the lowest for all three companies.

Other analysts predict the opposite; they expect 1988 to be a better year than 1987. Some predict a recession in 1989; some do not see one at all.

Analysts' views of GM also contribute to the range of projections. Opinions vary widely on GM's ability — or inability — to solve its problems, primarily maintaining market share and cutting costs.

David Healy, of Drexel Burnham Lambert Inc., is the most pessimistic of the analysts on GM. "I've built in a very sharp decline in market share for GM," Healy said.

He said that for the first 10 months of 1986, GM's market share was 42 percent but plummeted in November and December to 34 percent. He expects GM's 1987 market share to be better than the 34 percent — but only slightly better, at about 36 percent.

Healy added that his earnings forecast for 1987 and 1988 would be worse except that he assumes GM will make significant cost cuts and downsize the company to match its smaller market share.

Arvid Jouppi, of Arvid Jouppi & Associates, is the most optimistic on GM for 1987 because he is confident GM will be able to boost its profit margins, which have sagged in recent years.

Arthur G. Davis, of Prescott, Ball & Turben, is the most bullish on GM in 1988 because of what he sees as a strong product line — perhaps "the best in the history of the company" — in a strong 11.5-million-car year.

For the fourth quarter of 1986, the analysis expect GM to report earnings of $550 million, plummeting 56 percent from 1985's fourth-quarter profits of $1.3 billion.

A $2.6 billion GM profit in 1986 would be among GM's worst years in the past decade, despite relatively good economic times.

GM's only years below $2.6 billion — and, in fact, below $1 billion — occurred during the three years of the recession. In one of those years, GM reported a loss. GM's best year on record was 1984 when profits hit $4.5 billion.

Analysts predict AMC will report a fourth-quarter profit of $10 million to $20 million, compared with a loss of $7 million in the year-ago quarter. It would be AMC's first quarterly profit since the fourth quarter of 1984, when the company earned $3.1 million.

The expected fourth-quarter profit would put AMC's 1986 loss between $90 million and $110 million, an improvement from the $125 million loss in 1985.

However, AMC President Joseph Cappy said last week that AMC's fourth quarter profit "is bigger than most analysts are predicting."

Cappy said AMC will lose money in 1987 though the first quarter is looking good. The company expects to make money in 1988.

Analysts predict AMC's 1987 loss will be $22 million to $55 million and 1988's profit will be about $110 million.

FORECAST

FROM PAGE 1

production further in the first quarter but opts for incentives. Costs should be cut in ways other than eliminating incentives, he said.

Domestic automakers' anticipated first-quarter output of 2,141,493 cars is virtually unchanged from last year's first-quarter figure of 2,128,067.

Ford Motor Co. plans to assemble 543,000 units during the quarter, 21.61 percent more than last year's first-quarter total of 446,505. The increase mainly reflects the fact that Taurus and Sable were not yet up to full line speeds last year at this time.

Chrysler Motors' forecast of 306,300 is down 17.98 percent from the 373,481 assembled in the same period last year. The reason for the decrease this year is that the St. Louis (No. 2) plant is down for model changeover.

Honda of America Manufacturing Inc. expects it first-quarter output to reach 87,789, almost double the 45,114 built last year.

Nissan Motor Manufacturing Co., U.S.A., plans 37,632 cars, up 74.89 percent from 21,517.

New United Motor Manufacturing Inc.'s estimate of 55,006 cars is 18.46 percent more than last year's 46,428.

Volkswagen of America has scheduled 27,200 units, up 28.48 percent from 21,169.

American Motors plans to build about 10,500 cars, down 16.35 percent from last year's 12,553.

Corrections

An article about U.S. tax reform in the Jan. 12 Automotive News Extra section should have said that the IRS will impose additional taxes, or tax penalties, if there is under-withholding of taxes as a result of the introduction of the new W-4 tax forms. The story incorrectly said there would be penalties for over-withholding.

Also, the year-end import-car sales totals were reversed in the table published Jan. 12. The correct 1986 import sales total, as revised last week by the car companies, was 3,239,805. The 1985 total was 2,839,168.

DOMESTIC SALES

	Jan. 1-10, 1987	Jan. 1-10, 1986
Renault		
Alliance-Encore	710†	1,300†
AMC	100†	250†
AMERICAN MOTORS	810	1,550
Chrysler	3,064	5,644
Plymouth	4,903	8,127
Dodge	5,218	6,958
CHRYSLER MOTORS	13,185	20,729
Ford	17,030	27,595
Mercury	5,177	9,899
Lincoln	2,128	2,563
FORD MOTOR CO.	24,335	40,057
Buick	10,407	13,976
Cadillac	6,443	5,916
Chevrolet	21,955	41,601
Oldsmobile	15,277	27,332
Pontiac	11,227	18,190
GENERAL MOTORS	65,309	107,015
VOLKSWAGEN	482	1,193
HONDA	2,116	3,167
NISSAN	1,087	1,243
TOYOTA	411	0
U.S. INDUSTRY TOTAL	107,735	174,954

† Estimate

Domestic stockpile cut; imports fatten

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

The new year opened with stockpiles of domestic cars in the United States at levels well below those of Dec. 1 and Jan. 1, 1986.

The number of domestic cars in dealer hands and in transit on Jan. 1 represented a 58-day supply. That compares with 71 a month earlier and 73 on Jan. 1, 1986.

Stocks of unsold imported cars in the United States continued to climb in December, and on Jan. 1 totaled 473,165 units. That compares with the 455,303 that were in the pipeline on Dec. 1, and 338,315 on Jan. 1, 1986, according to estimates by Automotive News.

The import days' supply remained fairly static, standing at 38 days on Jan. 1, compared with 41 days on Dec. 1 and 43 days on Nov. 1. It was 28 days on Jan. 1, 1986.

Dealers across the country had reported strong sales in the closing days of 1986 as shoppers moved to buy before the loss of tax breaks.

Even as they described the strong sales surge in December, many retailers of domestic vehicles expressed fears January would be depressed because of the strength of the year-ending boomlet.

That lowering in sales has come to pass, as early-January sales reports issued by the domestics attest. The lowered car stockpiles should be welcomed by the retailing community with its floorplanning commitments and by manufacturing entities, some of which are playing a balancing act of plant closings and retail deliveries.

As of Jan. 1, domestic cars in stock totaled 1,506,557 units, a 58-day supply, compared with 1,531,295 units, a 71-day supply, on Dec. 1. On Jan. 1, 1986, there were 1,629,649 units, a 73-day stockpile.

General Motors cars made up the lion's share of the domestic inventory as January opened. They comprised 59.81 percent of the total. Next came Ford Motor Co. with 21.46 percent. Chrysler Motors cars accounted for 14.55 percent of the total; Volkswagen, 1.15 percent; and American Motors, 1.13 percent. Nissan's U.S.-built cars made up 1.16 percent of the domestically built car stock, Toyota, 0.47 percent, and Honda, 0.27 percent, according to Automotive News estimates.

By size class, the Jan. 1 domestic inventory showed: intermediate, 33.80 percent; compact, 23.54 percent; subcompact, 19.88 percent; standard, 12.81 percent, and luxury, 9.97 percent.

IMPORT DAYS' SUPPLIES

	Jan. 1, 1987	Dec. 1, 1986	Jan. 1, 1986
Spectrum	89	124	191
Sprint	131	148	89
Chevrolet	102	133	138
Chrysler Corp.	84	113	52
Acura	38	25	0
Honda	4	5	5
Isuzu	71	46	107
Mazda	31	45	13
Mitsubishi	64	61	31
Nissan	66	65	0
Subaru	49	50	25
Toyota	12	16	11
JAPAN	36	39	19
Audi	134	120	63
BMW	50	57	62
Mercedes-Benz	13	27	19
Merkur	127	163	107
Porsche	43	31	56
VW	66	91	63
GERMANY	51	66	57
Alfa Romeo	60	34	111
Hyundai	16	23	0
Jaguar	8	22	3
Peugeot	59	62	103
Renault	0	92	263
Saab	44	35	47
Volvo	274	48	120
Yugo	32	36	24
Other Countries	38	33	68
Total Import Cars	38	41	28
Isuzu	76	78	65
Mazda	42	47	21
Mitsubishi	83	64	54
Nissan*	62	97	58
Suzuki	19	25	0
Toyota	34	36	23
Chrysler	69	55	61
Total Import Trucks	53	56	38
Total Imp. Vehicles	42	45	30

*Includes domestic trucks.

The inventory of imported trucks in this country rose in December to 202,207 units on Jan. 1, against 194,033 on Dec. 1 and 102,664 on Jan. 1, 1986.

Truck stock stood at 53 days on Jan. 1, compared with 56 days a month before and a 38-day-supply on Jan. 1, 1986.

The Jan. 1 combined imported-vehicle inventory was estimated at 675,372, compared to 649,336 on Dec. 1 and 440,979 on Jan. 1, 1986. The Volvo days-supply figure of 274 is artificially high. December sales were low because Volvo turned off its computers Dec. 19 amd received no sales reports from the field until early January.

As of Jan. 1, combined stocks of imported cars and trucks represented a 42-day supply, compared with a 45-day supply on Dec. 1 and a 30-day supply on Jan. 1, 1986.

Days' supplies are based on selling days, excluding Sundays and holidays.

This is how imported-car inventories were shared by nation of origin on Jan. 1: Japan, 69.14 percent; West Germany, 18.29 percent; other countries, 12.57.

Year opens with 38% sales drop; all domestic makers share in dip

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of U.S.-built cars fell 38.42 percent from the year-earlier level in the first 10 days of January.

A significant year-to-year falloff had been expected, however, because of a one-time surge in buying late in December. That rise in retail deliveries was due, in large part, to buyers taking tax advantages that were to disappear at the end of the year, dealers across the country said.

The decline in the opening sales period of 1987 was shared by all the major domestic makers and the foreign companies operating assembly plants in the United States.

Volkswagen of America suffered the biggest dip with a decline of 59.59 percent. American Motors had a drop of 47.74 percent, and sales for Ford Motor Co. fell 39.24 percent.

General Motors' sales were down 38.97 percent. Chrysler Corp. recorded a decline of 36.39 percent from year-before levels, and American Honda fell 33.18 percent. Nissan Motor Corp. in U.S.A. saw sales dip 12.55 percent. Toyota Motor Sales, U.S.A., was not selling U.S.-made cars in the 1986 period.

DOMESTIC DAYS' SUPPLIES

	Jan. 1, 1987	Dec. 1, 1986	Jan. 1, 1986
Alliance	112	133	130
Encore	0	0	172
Total Renault	112	133	142
Eagle	46	51	102
Total AMC	46	51	102
AMERICAN MOTORS	102	120	137
Horizon	50	49	85
Sundance	76	57	0
Turismo	99	199	86
Reliant	45	78	57
Caravelle	46	60	91
Plymouth	57	103	104
Total Plymouth	56	70	72
Laser	135	189	113
LeBaron K	43	52	102
LeBaron J	89	0	0
LeBaron GTS	83	115	89
Fifth Avenue	70	106	46
New Yorker	79	92	69
Total Chrysler	72	85	80
Omni	50	51	75
Shadow	51	44	0
Charger	159	172	83
Daytona	133	145	75
Aries	44	60	63
Lancer	119	133	119
Diplomat	89	86	77
Dodge 600	57	61	102
Total Dodge	62	68	81
CHRYSLER MOTORS	62	75	78
EXP	0	0	0
Escort	46	62	26
Mustang	46	60	79
Tempo	57	76	53
Taurus	33	52	45
Thunderbird	40	62	75
LTD	0	0	78
Crown Victoria	41	59	69
Total Ford Division	43	61	51
Lynx	61	81	45
Topaz	58	74	46
Sable	42	50	30
Cougar	33	82	76
Capri	5	133	140
Marquis	0	0	84
Grand Marquis	27	45	61
Total Mercury	41	59	61
Continental	21	37	47
Lincoln	19	39	32
Mark VII	36	52	42
Total Lincoln	22	41	36
Total L-M Division	34	53	54
FORD MOTOR CO.	40	58	52
Skyhawk	131	158	82
Skylark	0	0	0
Somerset Regal	124	163	130
Century	59	78	99
Regal	102	136	168
LeSabre	74	103	81
Electra	66	67	108
Riviera	97	85	68
Total Buick	81	102	107
Cimarron	78	108	52
Seville	65	51	64
Cadillac	56	66	54
Eldorado	89	89	61
Total Cadillac	60	68	55
Chevette	53	63	64
Nova	143	146	93
Cavalier	92	113	49
Citation	0	0	78
Camaro	132	143	105
Celebrity	49	62	69
Corsica/Beretta	11	23	0
Monte Carlo	99	114	111
Chevrolet	68	81	98
Corvette	80	89	105
Total Chevrolet	73	88	75
Firenza	163	146	91
Calais	83	76	132
Cutlass Ciera	51	58	84
Cutlass Supreme	99	92	110
Olds 88	59	61	66
Olds 98	77	87	65
Toronado	115	62	85
Total Oldsmobile	70	72	88
Fiero	148	174	163
1000	121	174	115
Sunbird	105	133	60
Firebird	80	114	88
Grand Am	33	43	37
6000	59	66	81
Bonn./Gr. Prix	125	132	90
Grand Prix	0	0	126
Parisienne/Bonn.	74	79	136
Total Pontiac	89	82	84
GENERAL MOTORS	72	84	83
VOLKSWAGEN	81	86	82
HONDA	4	5	7
NISSAN	54	58	20
TOYOTA*	44	0	0
DOMESTIC TOTAL	58	71	73
Subcompact	57	59	59
Compact	71	94	66
Intermediate	54	66	88
Standard	57	72	84
Luxury	53	66	62

*Estimated

AUCTION DATES

American Motors

Jan. 20 — Aptco Auto Auction, Taylor, Mich.

Jan. 21 — Minneapolis Auto Auction, Plymouth, Minn.

Jan. 22 — Kansas City Auto Auction, Kansas City, Mo.; Evansville Auto Auction, Evansville, Ind.; and Todd Auto Auction, Telford, Pa.

Chrysler Corp.

Jan. 20 — Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

Jan. 21 — Butler Auto Auction, Gibsonia, Pa.; Columbus Fair Auto Auction, Obetz, Ohio; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

Ford Motor Co.

Jan. 21 — Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

Jan. 22 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

General Motors

Jan. 20 — Southern Auto Auction, E. Windsor, Conn.; Dallas Auto Auction, Dallas, Texas; and South Seattle Auto Auction, Kent, Wash.

Jan. 21 — Atlanta Auto Auction, Red Oak, Ga., and Clanton's Auto Auction, Darlington, S.C.

Jan. 22 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

January to date	$5,878
Month ago	$5,146
Year ago	$4,763

Model Breakdown
Auction Averages

	JAN 1987	DEC 1986	NOV 1986
1987	$17,892	$ 00	$ 00
1986	$13,782	$11,149	$11,299
1985	$7,162	$8,144	$8,286
1984	$5,930	$6,142	$6,186
1983	$5,158	$5,386	$5,420
1982	$3,721	$4,141	$4,190
1981	$2,928	$3,177	$3,244
1980	$2,087	$2,349	$2,387
Overall Average	$5,878	$5,129	$5,181

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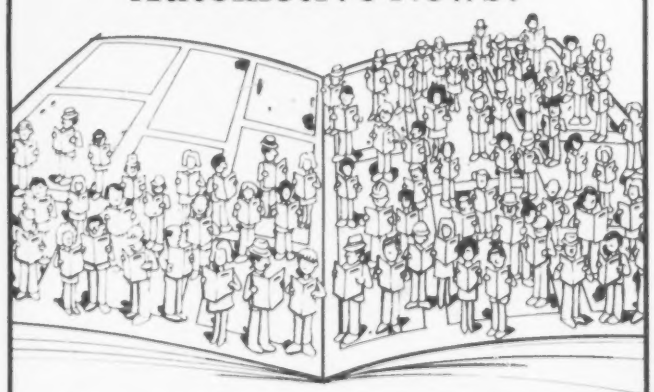

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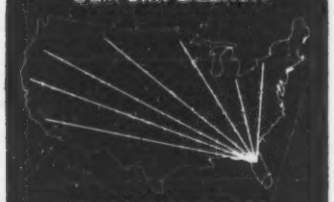

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SURVEYS

FROM PAGE 3

and take their business elsewhere to prove it.

The "walk" rates are highest at Honda, Porsche, Toyota, Mazda and BMW dealerships, according to Power.

The firm said that the makes with sales forces least likely to drive customers away are Lincoln, Mercury, Alfa Romeo and Dodge.

Only 62 percent of new-vehicle buyers in 1985 purchased from the dealer nearest their home, according to data collected by Power for its 1986 Customer Satisfaction Index.

Customers buying from less-convenient dealerships cited too-high prices as the leading factor (18 percent). But the second largest group giving a reason listed a turn-off by sales personnel (10.2 percent).

Projecting the Power data against 1986 new-car sales, more than one million purchasers bought from a different dealer because they were offended by sales personnel.

The study found that import dealerships have the worst record, and the customers most likely to walk are younger, better-educated and more demanding.

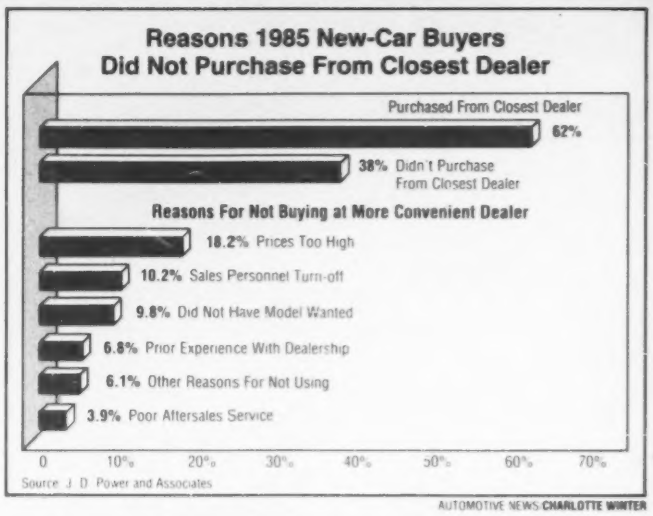
The report said that rude, pushy or unresponsive salespeople are most likely to be found at import dealerships where low inventories have led many salespeople to adopt a take-it-or-leave-it attitude.

Nine of the 10 makes with sales personnel most likely to cause customers to go to other dealerships are Japanese or German, according to Power.

There are exceptions. Mitsubishi and Isuzu were below industry average. And while Lincoln and Mercury had the best customer retention, Merkur, the Ford of Europe import sold by L-M dealers, was the sixth-worst despite sales far below initial expectations.

The Power data showed that males under 35 are most likely to walk because of sales personnel (14.4 percent), followed by men between 35 and 54 (13.7 percent), women under 35 (12.5 percent) and women 35 to 54 (12 percent).

Least likely to walk out because of sales personnel are women over 55 (5.7 percent) and men over 55 (9.7 percent), Power said.



AUTOMOTIVE NEWS CHARLOTTE WINTER

RECALL

FROM PAGE 1

juries, according to the Center for Auto Safety.

Audi initially had balked at NHTSA's Dec. 23 request for a statutory recall to fix the cars, but last week reversed itself.

Under the recall action, dealers will replace defective idle-speed stabilizers and install a shift-lock device designed to prevent the car's automatic transmission from being taken out of park unless the driver engages the brakes. Audi also will make a diagnostic check on systems associated with the idle speed stabilizer.

The importer had been installing shift locks and new idle speed stabilizers free under a service action, but this marks the first time a formal recall has been launched. Through the service actions, Audi has installed 70,000 shift locks. About 36,000 of the 60,000 affected 1985-86 model 5000s have received new idle-stabilization valves.

The company also will renotify owners of 1978-83 5000s, subjects of two previous recalls, to bring their cars in for adjustment of the brake pedal positioning and correction of a design flaw that could cause the carpeting to interfere with the accelerator.

Audi said it would go beyond the normal recall procedure of notifying 5000 owners by mail, launching a special telephone campaign to try to ensure that owners bring their cars back to dealers.

Audi also will conduct a follow-up campaign to see if customers are satisfied with repairs.

"We want to make sure to do everything we possibly can to make this the best recall in history and get the maximum number of people to come in," said John B. Damoose, Volkswagen of America's vice president in charge of Audi.

Audi said it hoped it would get a record response to the recall from owners. Generally, the industry gets about a 50-60 percent participation in a recall, Audi said.

NHTSA head Diane K. Steed said in an interview that she was pleased with Audi's decision to recall the 5000s.

"It appears that Audi is addressing all the known plausible causes of sudden acceleration," Steed said. "We fully expect the recall to reduce the number of sudden acceleration incidents."

NHTSA is continuing its investigation of the Audi 5000, but Steed said the agency probably would wait to see if the recall was effective before issuing its report.

The Center for Auto Safety argued that the recall would not solve the sudden acceleration problem. Audi should be forced to buy back the cars, the center said.

"We are dissatisfied with the recall, because the shift lock has been tried and it failed," said Clarence Ditlow, head of the safety center. "It can only doom more Americans to death and injury."

Ditlow said the center had six reports of sudden acceleration in cars equipped with shift locks. Audi has said that in those cases, the devices were installed improperly.

Damoose said there have been no reports of sudden acceleration in 1987 model 5000s, which have the shift lock as standard equipment.

Audi said it would not buy back the 250,000 1978-86 5000 models.

This week, Audi will begin a new print advertising campaign to help promote the shift lock and polish the 5000's image.

"We will do an ad specifically to sell the shift lock and urge its installation," Damoose said in an interview.

Audi currently is conducting a week-long series of one-on-one interviews between media representatives and Damoose in 15 cities around the country, in an effort to explain its recall action. The interviews are taking the place of a general press briefing Audi had scheduled for Jan. 16.

The decision to recall the cars is not a reversal in Audi's position on sudden acceleration, Damoose said.

"I don't think this is as much of a 180-degree turnaround of our position as much as it is 180 degrees from what people interpreted our position to be," Damoose said. "That's probably reflective of bad communication on our part.

"I guess if there is anything from a communications standpoint that we have to overcome, it's the interpretation by the public that we didn't care about our customers or that we were accusing them of making errors."

The unfavorable publicity surrounding the 5000 has had a major impact on sales during the past two months, Damoose admitted.

"Sales were impacted severely in December," he said. "It's hard to tell so far in January, because the industry is down so much due to the (December) payback period."

Some dealers reported a 30-80 percent drop in the sales of 5000 models during the past two months.

"December was not a killer month," said Rick Lamb, sales manager of Downtown Porsche-Audi, Los Angeles.

But some dealers said sales had actually increased.

"Ever since that story on (CBS News') '60 Minutes,' my sales have doubled," said Ernie Bartels, general sales manager for Green-On-Dirksen Porsche-Audi-Volkswagen, Springfield, Ill. "It's totally absurd. I'd like to see them run that '60 Minutes' piece again."

Washington group honors bureau chief Kahn

WASHINGTON — The Washington Automotive Press Association has selected Helen Kahn, Automotive News Washington bureau chief, as its person of the year for 1987.

The inaugural award was given to Kahn during a Jan. 8 dinner marking the first anniversary of the group.

PRODUCTION

Week's car output up

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled domestic auto production totaled 156,749, up 11.51 percent over the previous week's 140,567 but down 7.65 percent from the year-ago week's 169,728.

So far this year, 297,316 cars have been assembled, 26.74 percent below the 405,852 completed last year at this point.

Last week's targeted output was shared as follows: General Motors, 47.48 percent; Ford Motor Co., 27.35 percent; Chrysler Motors, 13.72 percent; Honda of America Manufacturing Inc., 4.67 percent; New United Motor Manufacturing Inc., 2.68 percent; Nissan Motor Manufacturing Co., U.S.A., 1.86 percent; Volkswagen of America, 1.28 percent; and American Motors, 0.96 percent.

AMC's Kenosha, Wis., plant resumed output last week (Jan. 12). The plant had been idle for inventory adjustment.

Volkswagen's plant in Westmoreland, Pa., also resumed production last week after being down for inventory adjustment.

The following GM plants were idle last week to reduce inventory and are scheduled to resume output today: Flint, Mich.; Fairfax, Kan.; Pontiac, Mich. (Fiero and G-cars); Norwood, Ohio; and Van Nuys, Calif.

GM's Lordstown, Ohio, plant remains down until Jan. 26 for inventory adjustment.

The GM Arlington, Texas, plant remains idle for installation of paint equipment. The plant is slated to resume production Jan. 16.

On Feb. 16, GM will reduce production at its Leeds, Mo., plant from two shifts at about 56 cars per hour to one shift at approximately 56 units per hour, affecting 2,000 workers.

The Leeds facility assembles the Buick Skyhawk, Oldsmobile Firenza and Chevrolet Cavalier. GM said the cutback is necessary to balance production schedules with inventories.

Ford slated Saturday (Jan. 17) overtime at its plant in Atlanta.

Chrysler's Belvidere, Ill.; Newark, Del.; and Sterling Heights, Mich., plants were scheduled for overtime Saturday and are also slated for daily overtime this week (Jan. 19).

Truck production rises to 77,657

U.S. truckmakers targeted production of 77,657 units last week, 4.46 percent more than the previous week's 74,342 and 8.43 percent more than the year-ago week's 71,619.

Year-to-date, 151,999 trucks have been built, 9.49 percent below the 167,938 completed last year at this time.

General Motors slated overtime last Saturday (Jan. 17) at its Detroit plant.

Ford Motor Co.'s Norfolk, Va., and Twin Cities, Minn., plants were scheduled for overtime Saturday.

Car-truck build rises in Canada

Last week, Canadian automakers estimated production at 17,210 units, 2.35 percent more than the previous week's 16,815 but 16.02 percent below the year-ago week's 20,494.

So far this year, 34,025 cars have been built, 25.85 percent below the 45,888 assembled last year at this time.

Truck production was scheduled at 16,175 units last week, 1.77 percent more than the previous week's 15,894 but 12.85 percent below the year-ago week's 18,561.

General Motors' Ste. Therese, Quebec, plant is expected to resume output today (Jan. 19). The plant had been idle for two weeks for inventory adjustment.

CANADIAN CAR	Week Ended Jan. 17, 1987	Week Ended Jan. 18, 1986	Week Ended Jan. 10, 1986	Jan. to Date	Jan. 1 to Jan. 18, 1986	Jan. 1 to Jan. 17, 1987
AMERICAN MOTORS	150	410	150	300	807	300
FORD MOTOR	11,160	11,562	11,038	22,198	27,048	22,198
GENERAL MOTORS	5,600	8,301	5,310	10,910	17,517	10,910
HONDA	75	0	69	144	0	144
VOLVO	225	221	248	473	516	473
Total Cars, Canada	17,210	20,494	16,815	34,025	45,888	34,025

U.S. TRUCK☆	Week Ended Jan. 17, 1987	Week Ended Jan. 18, 1986	Week Ended Jan. 10, 1986	Jan. to Date	Jan. 1 to Jan. 18, 1986	Jan. 1 to Jan. 17, 1987
CHEVROLET	22,507	25,580	22,186	44,693	59,772	44,693
DODGE	4,000	0	3,866	7,866	0	7,866
FORD	33,306	29,003	31,973	65,279	67,313	65,279
GMC	7,683	7,135	6,889	14,572	17,949	14,572
NAVISTAR	1,606	1,498	1,469	3,075	3,472	3,075
JEEP	4,475	5,902	3,854	8,329	13,732	8,329
NISSAN	1,730	451	1,755	3,485	578	3,485
AM GENERAL*	50	50	50	100	122	100
MISCELLANEOUS*	2,300	2,000	2,300	4,600	5,000	4,600
Total Trucks, U.S.	77,657	71,611	74,342	151,999	167,938	151,999

CANADIAN TRUCK	Week Ended Jan. 17, 1987	Week Ended Jan. 18, 1986	Week Ended Jan. 10, 1986	Jan. to Date	Jan. 1 to Jan. 18, 1986	Jan. 1 to Jan. 17, 1987
AMERICAN MOTORS	625	0	608	1,233	0	1,233
CHRYSLER	8,964	8,778	9,113	18,077	21,787	18,077
FORD	3,496	3,604	3,233	6,729	8,436	6,729
GENERAL MOTORS	2,891	6,010	2,738	5,629	13,533	5,629
NAVISTAR	199	169	202	401	394	401
Total Trucks, Canada	16,175	18,561	15,894	32,069	44,150	32,069
N. American Trucks	93,832	90,180	90,236	184,068	212,088	184,068

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Jan. 17, 1987	Week Ended Jan. 18, 1986	Week Ended Jan. 10, 1987	Jan. to Date	Jan. 1 to Jan. 18, 1986	Jan. 1 to Jan. 17, 1987
AMERICAN MOTORS	1,500	0	0	1,500	0	1,500
Renault Total	1,500	0	0	1,500	0	1,500
Alliance	1,500	0	0	1,500	0	1,500
Encore	0	0	0	0	0	0
CHRYSLER MOTORS	21,500	29,631	22,519	44,019	72,789	44,019
Plymouth Total	8,300	8,384	8,582	16,882	21,106	16,882
Horizon	3,200	3,097	3,393	6,593	7,964	6,593
Sundance	1,500	0	1,960	3,460	0	3,460
Reliant	2,700	3,859	2,355	5,055	9,516	5,055
Caravelle	900	1,242	874	1,774	3,151	1,774
Gran Fury	0	186	0	0	475	0
Chrysler Total	4,200	10,834	4,691	8,891	26,098	8,891
Laser	0	1,052	0	0	2,469	0
LeBaron K	1,400	2,658	1,598	2,998	6,437	2,998
LeBaron J	1,000	0	1,070	2,070	0	2,070
LeBaron GTS	500	2,466	741	1,241	5,448	1,241
New Yorker/E-Class	1,300	1,489	1,282	2,582	3,813	2,582
Fifth Avenue	0	3,169	0	0	7,931	0
Dodge Total	9,000	10,413	9,246	18,246	25,585	18,246
Daytona	500	1,025	543	1,043	2,505	1,043
Omni	3,000	3,123	2,973	5,973	7,774	5,973
Shadow	1,500	0	1,774	3,274	0	3,274
Aries	2,700	2,101	2,411	5,111	5,702	5,111
Dodge 600	900	1,706	902	1,802	4,064	1,802
Lancer	400	2,048	643	1,043	4,371	1,043
Diplomat	0	410	0	0	1,169	0
FORD MOTOR	42,865	34,007	40,508	83,373	78,495	83,373
Ford Division	29,456	23,101	27,565	57,021	52,891	57,021
Escort	8,033	8,258	7,210	15,243	18,466	15,243
Mustang	4,214	4,209	4,589	8,803	9,362	8,803
Tempo	4,146	4,040	3,956	8,102	10,022	8,102
Taurus	10,717	2,939	9,332	20,049	6,459	20,049
Thunderbird	2,346	3,655	2,478	4,824	8,582	4,824
L-M Division	13,409	10,906	12,943	26,352	25,604	26,352
Mercury Total	9,343	7,221	9,029	18,372	17,069	18,372
Lynx	1,362	1,620	1,246	2,608	3,637	2,608
Capri	0	381	0	0	1,286	0
Topaz	1,381	1,350	1,281	2,662	3,382	2,662
Cougar	3,483	2,419	3,725	7,208	5,553	7,208
Sable	3,117	1,451	2,777	5,894	3,211	5,894
Lincoln Total	4,066	3,685	3,914	7,980	8,535	7,980
Continental	407	410	391	798	1,080	798
Lincoln	3,048	2,765	2,935	5,983	6,406	5,983
Mark VII	611	510	588	1,199	1,049	1,199
GENERAL MOTORS	74,449	96,419	63,844	138,293	231,272	138,293
Buick Total	14,656	17,019	12,069	26,725	41,686	26,725
Skyhawk	2,235	1,937	0	2,235	4,544	2,235
Century	4,441	5,958	4,648	9,089	15,123	9,089
Regal	0	1,168	0	0	1,745	0
Somerset/Skylark	2,225	1,998	2,191	4,416	5,127	4,416
LeSabre (fwd)	2,269	1,526	2,679	4,948	3,029	4,948
LeSabre/Electra(rwd)	0	205	1,773	1,773	583	1,773
Electra(fwd)	2,618	3,908	0	2,618	10,734	2,618
Riviera	868	319	778	1,646	801	1,646
Cadillac Total	7,841	5,659	6,127	13,968	12,386	13,968
Cimarron	548	483	632	1,180	1,011	1,180
Allante	50	0	28	78	0	78
Brougham (rwd)	1,680	899	1,667	3,347	1,354	3,347
DeVille (fwd)	3,907	3,652	2,527	6,434	8,153	6,434
Eldorado	499	371	486	985	1,099	985
Seville	1,157	254	787	1,944	779	1,944
Chevrolet Total	22,506	34,417	20,794	43,300	83,592	43,300
Chevette	0	2,643	0	0	6,717	0
Camaro	0	4,953	0	0	11,785	0
Cavalier	8,144	9,243	7,448	15,592	23,217	15,592
Celebrity	8,520	5,869	8,293	16,813	14,625	16,813
Corsica/Beretta	3,762	0	2,930	6,692	0	6,692
Monte Carlo	0	2,725	0	0	6,506	0
Chevrolet	1,440	8,964	1,477	2,917	20,742	2,917
Corvette	640	0	646	1,286	0	1,286
Oldsmobile Total	16,084	23,266	11,669	27,753	57,047	27,753
Firenza	1,195	954	0	1,195	2,494	1,195
Calais	2,575	3,059	2,379	4,954	7,340	4,954
Cutlass Ciera	4,245	6,649	4,275	8,520	18,070	8,520
Cutlass Supreme	0	4,659	0	0	10,324	0
88 (fwd)	5,157	4,070	2,701	7,858	9,449	7,858
88 (rwd)	480	510	453	933	1,909	933
Olds 98	1,811	3,137	1,310	3,121	6,726	3,121
Toronado	621	228	551	1,172	733	1,172
Pontiac Total	13,362	16,058	13,185	26,547	36,561	26,547
Acadian*	0	316	0	0	219	0
Fiero	0	0	0	0	0	0
1000	0	727	0	0	1,313	0
Firebird	0	2,559	0	0	6,385	0
2000 Sunbird	2,818	3,126	2,839	5,657	6,784	5,657
Grand Am	5,210	4,719	5,125	10,335	10,028	10,335
6000	1,934	2,604	1,910	3,844	6,065	3,844
Bonneville	3,400	0	3,311	6,711	0	6,711
Safari/Parisienne	0	2,007	0	0	5,767	0
HONDA	7,315	3,832	6,839	14,154	8,712	14,154
Civic	3,045	0	2,481	5,526	0	5,526
Accord	4,270	3,832	4,358	8,628	8,712	8,628
NISSAN	2,920	1,791	2,927	5,847	4,879	5,847
NUMMI	4,200	1,900	3,930	8,130	4,200	8,130
Corolla	1,100	0	919	2,019	0	2,019
Nova	3,100	1,900	3,011	6,111	4,200	6,111
VOLKSWAGEN	2,000	2,148	0	2,000	5,505	2,000
Golf/GTI	250	2,148	0	250	5,505	250
Jetta	1,750	0	0	1,750	0	1,750
Total Cars, U.S.	156,749	169,728	140,567	297,316	405,852	297,316
Total Cars, Canada	17,210	20,494	16,815	34,025	45,888	34,025
N. American Cars	173,959	190,222	157,382	331,341	451,740	331,341
N. American Trucks	93,832	90,180	90,236	184,068	212,088	184,068
North American Cars and Trucks	267,791	280,402	247,618	515,409	663,828	515,409

*—All Acadians are built for GM in Canada.
Monthly estimates may contain error of one or two units due to rounding.

State money sought for AMC Kenosha

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

KENOSHA, Wis. — American Motors has asked the state of Wisconsin for $200 million in loan guarantees to renovate its Kenosha plant for building Chrysler Motors subcompacts and new Jeeps.

During a press conference at city hall here last Monday, AMC President Joseph Cappy and newly elected Wisconsin Gov. Tommy Thompson said they are "cautiously close" to signing an agreement wherein the state would fund about 80 percent of the $250 million needed to renovate the 85-year-old plant.

The loan guarantees, if approved by the Wisconsin House by Jan. 25, would mean new life for the Kenosha plant. AMC has discussed ending Renault Alliance production in 1989. After that, Cappy said, only the stamping and engine plant workers would remain without renovation.

The $250 million price tag does not include training costs or new equipment for the plant.

The renovation is contingent upon a lower-cost labor contract with UAW Local 72 by Chrysler's Jan. 30 deadline to find a new production site for its Dodge Omni and Plymouth Horizon. Those cars are being moved out of Chrysler's Belvidere, Ill., plant in March. Chrysler officials have said they will either build the Omni-Horizon in Kenosha or discontinue the models altogether.

AMC already has a 2½-year contract to build Chrysler M-body luxury cars in Kenosha beginning in late February.

UAW Local 72 President Rudy Kuzel said he is still unwilling to reopen the contract, which was modified last spring to win the Chrysler M-car contract.

Union officials from both the International UAW and Local 72 met with Thompson and state officials last week to discuss opening the contract. However, nothing was agreed upon during the meeting.

Kuzel expects the international union to request a membership vote in Kenosha in the next two weeks, however he said AMC must disclose what changes it wants in the agreement before a vote.

Cappy said AMC is looking to modify both the economic and working agreements of the 1985 Kenosha contract.

"We've got a contract in Kenosha that is competitive to what General Motors has now but is not competitive with what Mazda has in Flat Rock (Mich.) or what NUMMI (New United Motor Manufacturing Inc.) has," Cappy told Automotive News last week. He would not specify what concessions the company is seeking.

Under the AMC proposal, the automaker would build Alliance, Chrysler M-cars and Omni-Horizon at its lakefront and main plants in Kenosha. The renovated Kenosha plant could add about 6,500 AMC jobs and 9,500 spin-off jobs, according to Cappy.

Meanwhile AMC is continuing to negotiate with Chrysler to build 150,000 to 200,000 Omni-Horizon units annually in Kenosha over a five-year period. If an agreement is signed before Jan. 30, AMC could begin building the Chrysler subcompacts this fall.

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Romanian cars spark controversy

Embassies disagree on U.S. distributor

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

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NEW YORK — A U.S. firm is soliciting and signing dealers for Romanian-built cars in the United States while Romanian officials on both sides of the Atlantic disagree about whether the company is authorized to import the cars.

Romanian Embassy officials in the United States say the company, Roman Motors Corp. of Miami, is not authorized to distribute the cars. But officials of Roman Motors and the Romanian Embassy in Switzerland say Roman Motors — through a complex web of international agreements — is authorized to market the cars in the United States.

While it was uncertain which Romanian government officials would ultimately prevail, Roman Motors President John Trotman said in an interview that he expected to have 100 U.S. dealers, mostly from the East Coast, signed by this week's National Automotive Dealers Association convention in Las Vegas.

Trotman said dealers were paying Roman Motors $59,500 at the time of signing for parts, signs and tools, and that they had to post letters of credit to cover six months' shipments of cars. One dealer source solicited by Roman Motors said the letters of credit were for $500,000.

Trotman said his company would market the subcompact Dacia, the four-wheel-drive Aro and the subcompact Oltcit beginning this spring. He said the Dacia and Aro would be displayed at the NADA convention and that his Swiss associates also would attend.

Meanwhile, officials of the Romanian Embassy in the United States insisted a contract to market Romanian vehicles in the United States had not been issued to Trotman or any of his European affiliates. But the Romanian Embassy in Bern, Switzerland, last Friday verified that Trotman has a contract with a Bern company, Sveltec Ltd., which is acting on behalf of the Romanian state export company, Auto Dacia of Pitesti, to sell the Romanian-built cars.

Trotman said his authority to market the cars in the United States was based on several cooperative agreements and he supported the claim by showing Automotive News a series of documents.

Trotman said the Romanian export company originally gave marketing rights for Romanian products to a company named Marimex

Preparing for the NADA convention

AUTOMOTIVE NEWS JOE WILSSENS

NADA

Record turnout of 23,000 expected; Iacocca to speak; 155 seminars set

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

It just grows and grows.

The 70th annual Convention and Exposition of the National Automobile Dealers Association, to be held Jan. 31-Feb. 3 in Las Vegas, is expected to be the biggest ever.

NADA said the 1987 convention will likely set records in the number of participants, exhibits and workshops.

As many as 23,000 franchised new-car dealers, truck dealers and representatives of allied businesses are expected to register for the four-day event at the Las Vegas Convention Center. The current high is 21,000 at New Orleans last year.

"We're looking forward to our most successful convention ever," said NADA President James B. Woulfe.

"Top management from America's greatest industry will be in the same place at the same time," Woulfe said. "We have a truly exceptional opportunity to discuss important business and transportation issues, challenges and opportunities."

All of the 10,300 available rooms reserved at NADA-approved hotels are booked. However, Las Vegas boasts 54,000 hotel rooms and procrastinating attendees who still are without reservations probably can find rooms at another inn, perhaps with assistance from the Las Vegas Convention Bureau.

As usual, this year's convention will feature prominent general-session speakers.

Lee Iacocca, chairman and chief executive officer of Chrysler Corp., will deliver the keynote address at the 3 p.m. general session on

see NADA, page 22

Incentives, long warranty added by GM

By David Versical
and Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors launched attacks on two fronts last week to boost sagging sales and shore up its image on quality.

GM, which had pledged to avoid a repeat of last year's sales incentives as long as possible, succumbed to a growing industry trend and offered discounted options on Buick, Pontiac, Chevrolet and Oldsmobile models. It also matched Ford Motor Co. with a new wave of low-interest loans and rebates on its compact pickups and sport-utility vehicles.

In addition, GM announced that it will double the length of its warranty coverage to back up its contention that the quality of its cars has reached an unprecedented high.

The new plan provides a six-year/60,000-mile warranty on powertrains and six-year/100,000-mile protection against corrosion. All 1987 GM cars produced in North America are covered. The plan does not include trucks or Chevrolet's Sprint, Nova and Spectrum cars.

On Friday, just one day after GM announced the new warranty, four of GM's car divisions announced new retail incentives.

As expected (Automotive News, Jan. 12), the new incentives avoided annual-percentage-rate financing and focused on lowering transactional prices through rebates and equipment discounts.

Each division took its own approach on selected models. The Pontiac, Buick and Oldsmobile programs run from Jan. 24 to April 30. The Chevrolet program runs from Jan. 24 to March 11, and Cadillac did not announce new incentives.

Pontiac announced first. Its program includes equipment-package discounts and cash rebates, which it called "cash bonuses." The equipment-package discounts are $175 on the Fiero coupe; $875 on the Sunbird SE convertible; $325 on the Grand Am coupe; $50 on the 6000 sedan; $525 on Firebird; $275 on the Bonneville sedan; and $500 on Grand Prix. Package content varies by model.

The cash rebates are $500 on Fiero; $600 on the Grand Am coupe; $650 on Firebird and Grand Prix; $800 on the Sunbird SE convertible, 6000 sedan and Bonneville sedan; and $1,200 on the 6000 STE.

Oldsmobile offered a straight discount on optional equipment purchases, based on dollar volume, on Calais, Cutlass Ciera, Cutlass Supreme, Delta 88 and Custom Cruiser.

The discount, payable as a cash rebate, is $200 on option purchases with a manufacturer's suggested retail price of $500 to $999; $400 on purchases of $1,000 to $1,499; $600 on purchases of $1,500 to $1,-999; $800 on purchases of $2,000 to $2,999; and $1,200 on optional equipment purchases with sticker prices of $3,000 or more.

Buick adopted the same optional equipment rebate pay schedule for Skylark, Regal and LeSabre, plus Electra and LeSabre Electra Estate Wagon models, but exempted turbocharged models.

Chevrolet opted for rebates of

see WARRANTY, page 38

Sales to Japanese rise as suppliers learn rules

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

A number of U.S. auto suppliers are reporting an upsurge of business with the Japanese automakers in this country.

Leaders among those suppliers are Sheller-Globe Corp. and Johnson Controls Inc., which have landed business with all six transplants that are producing vehicles or are preparing to.

The immediate reasons for increased business from the Japanese are the growing number of transplants that are choosing suppliers and the change in the yen's value, which makes imported parts less price competitive.

Also helping has been a shift in the political climate,

see SUPPLIERS, page 25

Kusan's Roger Truley with technician in quality control

Smith: Perot wanted to run EDS his way

By Michael J. Clowes
CRAIN NEWS SERVICE

DETROIT — General Motors Chairman Roger B. Smith maintains it was H. Ross Perot's obstruction of GM management — not his criticism of Smith and the automaker — that led to Perot's ouster.

In the first interview since GM bought out Electronic Data Systems founder Perot, Smith said Perot's departure was triggered by his ". . . intense desire to run EDS

see SMITH, page 38

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NEWSPAPER

Brazil's Mendes seeks U.S. ally in truck venture

By Rik Turner and Joseph Bohn
AUTOMOTIVE NEWS STAFF

Officials of Mendes Junior, Brazil's largest construction company, are trying to set up a joint venture with a major U.S. truck company to produce Brazilian components and possibly even vehicles.

They hope this production venture may also lead to export opportunities.

Mendes' primary interest is getting a steady flow of technology from its U.S. venture partner.

Mendes officials, led by President Murilo Mendes Jr., reportedly visited PACCAR and Navistar International officials in the United States to discuss their project.

Mendes considers Navistar the better prospect of the two.

Navistar uses Cummins engines extensively in its domestically built heavy-duty trucks. Cummins also has a plant in Brazil.

Industry sources said that Navistar currently has people in Brazil, discussing a new project.

As one source observed, "Something's going on, but nobody's talking about it."

A Navistar spokesman added that if conversations took place between Navistar and Mendes Junior officials, they " didn't occur at the senior level."

He said he had no knowledge of conversations between the two companies.

Mendes reportedly hopes to close a deal — and make an announcement — as early as Feb. 18.

Reportedly, a significant point in its discussions is the equity share that its U.S. partner would have.

Mendes officials reportedly want their venture partner to have about a 20 percent stake in the new operation — not so much for the capital but to guarantee a continuing flow of technology.

Nissan's new mini
Nissan Motor Co. has introduced the Be-1, a two-door sedan targeted at Japan's youth. It is based on a one-off car exhibited at the 1985 Tokyo Motor Show. A canvas-top model will be introduced in March. The car, which is 145.4 inches long, 63.2 inches wide and 56.8 inches high, features a a glued windshield and rear window and a body made rigid through dual-reinforced sills. Powered by a 987-cc gasoline engine, Be-1 models are priced between $8,500 and $9,500. A sales target of 400 units a month has been set.

Brazil plans automobile complex; talks with Japanese disclosed

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — The Brazilian government has announced plans for an auto industry complex in Recife, the capital of the northeastern state of Pernambuco.

The target production capacity for the project is 300,000 units a year by 1995, according to Trade and Industry Minister Jose Hugo Castelo Branco.

The first company to build a plant in the Recife complex will be Gurgel, a Brazilian manufacturer of utility and specialty vehicles.

Sources in Brasilia, this country's capital, said the ministry is negotiating with two Japanese automakers who may also be interested in building in Recife.

Gurgel is currently developing a super-economy small car known as the Cena, which will go into production later this year.

The Cena, the brainchild of the company's owner and founder, Joao Conrado do Amaral Gurgel, is to be built in kit form, initially at the company's main Rio Claro plant in the interior of Sao Paulo state, and subsequently at a plant created especially for the Cena in Bahia, another northeastern state.

Thereafter, the Cena will be assembled at five sites around the country, including Recife.

The car will be sold initially to government fleets, which is expected to mean a loss of business for the country's established volume makers — Volkswagen, General Motors, Ford and Fiat.

Cena production is expected to be 60,000 units a year by the end of a three-year period, and 120,000 a year by 1992.

Europe sets new-car sales record

VW retains top spot; Japan's automakers score sharp gains

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The European new-car market grew by nearly one million units in 1986, setting an all-time sales record.

The Volkswagen Group led the sales race for the second straight year, while the Japanese registered sharp gains.

Sales in the 17 western European markets rose from 10,643,000 in 1985, the former record, to 11,625,000 in 1986, according to industry estimates complied by Automotive News.

West Germany's Volkswagen Group, which includes VW, Audi and Seat, finished with 14.7 percent of the market. The automaker's sales increased 11.4 percent to 1,703,500.

Fiat Auto achieved the largest single gain among European automakers, recording an 11.8 percent increase that helped it hold on to second place.

Among Europe's major manufacturers, only Britain's Austin Rover suffered a sales decline in 1986.

Renault, the industry sales leader just four years ago, ended in sixth place. Renault bottomed out with less than 10 percent of the market last summer but rebounded later in the year.

The big story of 1986 was the advance of the Japanese. They briefly attained 12 percent of the year-to-date market last fall but finished with 11.7 percent after curbing shipments to Europe late in the year.

Japanese makers combined for sales of 1,358,100 cars, a 19.1 percent jump over 1985 when sales increased 9.4 percent. Critics here charge the Japanese with targeting Europe in 1986 because of the yen's sharp appreciation against the U.S. dollar.

The growth has prompted calls for protectionist measures and an opening of the Japanese market. European companies now sell about 70,000 cars a year in Japan. The Japanese already face strict limits in France, Italy, Spain and the United Kingdom.

Among major European companies, only the VW Group, Fiat Auto and Mercedes-Benz increased

see EUROPE, page 41

EUROPEAN SALES

Manufacturer	12 mos., 1986	1986 share*	12 mos., 1985	Pct. change in volume 1986 vs. 1985
VW-Audi-Seat	1,703,500	14.7	1,529,400	+11.4
Fiat Auto	1,458,300	12.5	1,304,500	+11.8
Japanese (all)	1,358,100	11.7	1,140,400	+19.1
Nissan	348,900	3.0	306,600	+13.8
Toyota	336,200	2.9	274,600	+22.4
Mazda	237,700	2.0	203,500	+16.8
Mitsubishi	141,100	1.2	116,300	+21.3
Ford	1,361,500	11.7	1,267,800	+ 7.4
PSA**	1,315,600	11.3	1,226,200	+ 7.3
General Motors***	1,287,100	11.1	1,212,300	+ 6.2
Renault	1,234,400	10.6	1,139,300	+ 8.4
Mercedes	436,600	3.8	394,000	+10.8
Austin Rover	407,800	3.5	420,100	− 2.9
BMW	296,700	2.6	290,600	+ 2.1
Volvo	267,800	2.3	254,700	+ 5.1
Alfa Romeo	171,900	1.5	161,300	+ 6.5
Others	326,000	2.8	302,400	+ 7.8
Total	11,625,100	100.0	10,643,000	+ 9.2

*—Total does not add to 100 percent because of rounding.
**—Peugeot, Citroen, Talbot
***—Opel, Vauxhall, Isuzu, GM-U.S./Canada

Korea's Dong-A seeks auto-making partner

By Andrew Tank
STAFF CORRESPONDENT

SEOUL, South Korea — Korea's Dong-A Motor Co. is hunting for a multinational partner to help it make export-quality cars beginning in 1989.

This development is part of a major expansion program at Dong-A, an ailing maker of utility vehicles and special-purpose trucks. It was rescued from financial difficulties late last year in a friendly takeover by Ssangyong Group, a large Korean construction and cement conglomerate.

Due to sensitivities about pending management changes, the three Dong-A executives contacted spoke on condition of anonymity.

They described a likely strategy that could make Dong-A a fourth major force in the Korean vehicle industry by the early 1990s, joining Korea's established vehicle makers — Hyundai Motor Co., Daewoo Motor Co. and Kia Motor Co.

The most intriguing move is the plan to find a technical collaborator for making sedans. Dong-A is prohibited from making sedans until 1989 under existing Korean government regulations, but Dong-A is already starting a search for a suitable partner from America, Japan or Europe.

Although Dong-A executives said planning is still in the very early stages, industry analysts in Korea note that Chrysler Corp. is the only one of Detroit's Big Three not to have a stake in Korea's fast-growing vehicle assembly business.

Chrysler signed a deal with the electronics giant Samsung to source auto parts in Korea. Many observers had predicted that it would be Samsung, which is itching for a crack at the vehicle business, that would rescue Dong-A.

However, the latest reports suggest that the Chrysler-Samsung parts deal is not progressing as smoothly as planned, so observers believe Chrysler may now be interested to do a direct deal with Dong-A.

Meanwhile, Kim Suk-Won, 41, now chairman of both Dong-A and the Ssangyong Business Group, is expected to make Dong-A the fast-growing flagship of his group. Its major activities are in slow-growing construction, cement, refining and paper industries. Kim aims to make vehicle making the largest contributor to his empire by the 1990s. In the first six months of 1986, Ssangyong Corp. (its trading arm) had sales of $525 million, its cement company $285 million and Dong-A just $44 million.

In 1986 Dong-A made 988 special-purpose trucks (such as cement mixers, fire engines and dump trucks), 2,745 trailers (including refrigerated versions, liquid petroleum gas tankers and military transporters), 180 express buses and 2,270 Korando utility vehicles. It exported $8.5 million worth of products, principally wheels and other parts for aftermarket use, and also a few vehicles — including 53 Korandos to Japan.

It has a technical collaboration with Nissan Diesel for making express buses and with Komatsu for making 32-ton dump trucks.

Already Ssangyong's Kim has indicated his readiness to invest heavily to back up his expansion plan. Dong-A plans to launch a four-wheel-drive station wagon this fall.

Dong-A is expected to build up production volumes, especially of station wagons and Korando utility vehicles. Current plans suggest that Dong-A will make around 10,000 station wagons next year and 15,000 to 20,000 in 1989. About 20 percent are expected to be exported to the Middle East and Southeast Asia.

In addition, Dong-A has been testing its express bus in the United States, but executives admit that it has failed to meet U.S. emissions regulations. Significant exports to North America are considered unlikely in the near future.

The rescue of Dong-A by Ssangyong could give it the financial resources to re-establish itself as a significant Korean vehicle maker.

The founder of Dong-A, Ha Dong-Hwan, started Korea's first vehicle company in January 1954, just after the Korean war had devastated most of Korea's industry. His company made the first Korean export of inter-city buses in 1967, the same year that Hyundai Motor Co. was formed, and was a crucial element in the initial stages of building Korea's vehicle industry.

But in the last few years Dong-A has been fighting an increasingly tough battle against its domestic rivals, each of which has strong multinational partners: Hyundai Motor is 15-percent owned by Mitsubishi, Daewoo Motor 50 percent by General Motors, and Kia 10 percent by Ford Motor Co. and 8 percent by Mazda.

In particular, Dong-A lost out in the government-sponsored carve-up of the domestic vehicle firms in the early 1980s. That gave Kia a monopoly of the small van market, and reserved car production for Hyundai and Daewoo. Dong-A was criticized at that stage for not merging with Kia, and subsequently found the major firms providing increasingly fierce competition.

Dong-A's last attempt to remain in the big league by taking over the ailing maker of Korando utility vehicles, Keohwa Co., was in December 1984. But this did not stop a progressive deterioration of its finances, which made it an attractive take-over proposition.

The actual takeover was a classic example of the abiding importance of close family and friendship ties in the organization of Korean business. Dong-A founder Ha visited Ssangyong chairman Kim, whose late father had had a very close friendship with him. Ha effectively offered to give Kim management control.

Press reports say that Kim paid Ha $35 million for his shareholding. That shut out other firms who were eager to buy Dong-A, notably Samsung, but also other Korean firms including Daerim and Hyosung. The powerful government bureaucracy does not seem to have been involved in the takeover, which is unusual, but no obstacles are expected to obstruct Kim's expansionary plans.

Certainly Kim is taking a close personal interest in his new acquisition. He visits the plant at least once a week, and recently appointed Choi Byung-Hang, the managing director of the planning and development office at the Ssangyong Business Group, to be president of Dong-A. Further management changes and the unveiling of a comprehensive reorganization and development plan are expected to be decided at a major meeting in February.

Import outlets, franchises up

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The number of import-make franchises and imported-car retail outlets continued to increase last year, according to the latest Automotive News imported-car dealership survey.

Continued proliferation of imported-car nameplates in the U.S. market and some internal marketing shifts at Chrysler Motors helped increase the number of imported-car franchises to a record total of 24,065, on Jan. 1, 1987, up 18.9 percent from 20,235 one year earlier.

Although Sterling, Acura and Hyundai franchises were added during 1986, the bulk of the increase came at the start of the 1987 model year when Chrysler Motors designated all Mitsubishi-built Conquest models as Chryslers, instead of Plymouths, in effect creating a new franchise, although the company's outlet count was unaffected.

The total number of dealerships selling imported cars in the United States reached 16,969 on Jan. 1, 1987, a 3.5 percent increase from 16,392 on Jan. 1, 1986.

The franchise total and the outlet total differ because of dualing — two or more franchises often are combined in a single outlet.

The latest figure was the largest number of imported-car retail outlets in the United States since Volkswagen and Renault were reclassified as domestic makes in the early 1980s.

The import-outlet record is 17,700 on Jan. 1, 1979 when VW and Renault dealerships were counted in the import totals.

Nissan remained the non-captive import leader, staying a handful of dealerships ahead of Toyota — 1,109 franchises to 1,087 — although neither total included the separate distributorships in Hawaii. Honda

see DEALERS, page 41

IMPORT FRANCHISES

	Jan. 1, 1987	Jan. 1, 1986
JAPAN	19,326	15,962
Chevrolet captives	5,000	5,050
Chrysler captives	3,064	
Plymouth captives	3,033	3,009
Dodge captives	2,960	2,927
Nissan	1,109	1,101
Toyota	1,087	1,079
Honda	900	879
Subaru	801	819
Mazda	771	767
Isuzu	338	242
Acura	150	
Mitsubishi	113	89
WEST GERMANY	2,323	2,372
Merkur	744	783
BMW	423	433
Mercedes-Benz	422	421
Audi	412	408
Porsche	322	327
SWEDEN	773	752
Volvo	414	407
Saab	359	345
UNITED KINGDOM	503	327
Jaguar	160	167
Sterling	153	
Lotus	65	47
Rolls-Royce/Bentley	59	59
TVR	50	41
Aston Martin	16	13
ITALY	432	365
Alfa Romeo	158	144
Bertone	150	125
Maserati	73	44
Ferrari	42	42
Lamborghini	9	10
FRANCE	272	286
Peugeot	272	286
YUGOSLAVIA	260	156
Yugo	260	156
KOREA	161	
Hyundai	161	
MISCELLANEOUS	15	15
TOTAL	24,065	20,235

Dodge chooses Dynasty tag for 1988 big car

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

The Dodge version of Chrysler Motors' new front-wheel-drive luxury sedan will be called Dynasty when it debuts as a 1988 model.

Dealer sources reported the name designation.

The new full-sized C-body sedan for the Dodge and Chrysler nameplates will be the first of a series of upscale, high-tech Chrysler Motors models in that class.

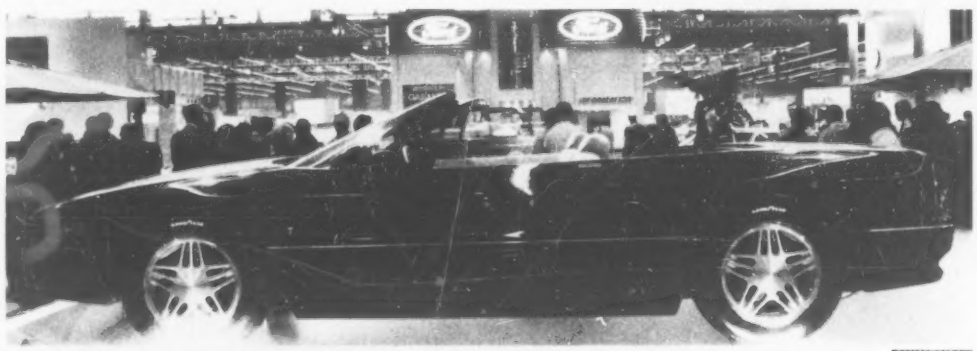
Chrysler Motors Chairman Gerald Greenwald has said a four-door sedan "will come out somewhat early in the 1988 model year" and launch the new car line (Automotive News, Nov. 3, 1986).

"We have a tentative plan in numbers of body styles that starts with the early 1988 model and goes out to a three-year plan," Greenwald said.

In addition to the C-body, Chrysler Motors has been looking at both Chrysler and Imperial Y-body models — upscale, stretched versions of the C-car that are due in 1989.

The new generation of luxury cars will be built at Chrysler's Belvidere, Ill., assembly plant. Omni-Horizon production at that plant is expected to end in early March.

Greenwald has said the C-bodies will take Chrysler into "the high-technology luxury-car business with both feet." He has said the models have "high-technology V-6 engines, terrific transmissions and all the electronics anyone could want."



GAMMA-LIAISON

Lincoln Vignale: seems to be heading into the real world — despite company claims to the contrary

NEW FORDS: *Future of Mustang stirs argument, but other programs move ahead*

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

Planning for the future of the rear-wheel-drive Mustang has turned into a full-blown donnybrook at Ford Motor Co.

The debate is raging between product and financial people on the company's product committee.

Product planners want to keep the venerable rwd Mustang rolling for many years. But that would require considerable investment for — among other things — a new suspension and new passive-restraint system.

Those on the financial side don't want to spend the money. They would rather see the rwd Mustang eased into a peaceful death — no later than the end of the 1989 model year.

As things stand, the rwd Mustang will remain in the Ford stable through that season. Its fate beyond is in question.

Meanwhile, a 1988 front-wheel-drive Mustang IV will be introduced next fall, produced by Mazda Motor Manufacturing U.S.A. at its new plant in Flat Rock, Mich.

The pending arrival of the two-door Mustang IV, based on the fwd Mazda 626, is adding fuel to the Dearborn controversy.

Product planners argue that the old Mustang should be retained as well because, although the current base rwd Mustang is nine years old, it was the best-selling small-sporty car in the United States in calendar 1986 with 167,699 sales.

Moreover, the Mustang's 6 percent gain last year went against the industry tide, which saw the small-sporty segment decline 8 percent.

Planners contend it would be unwise to send the popular, macho rwd Mustang to the grave, surrendering the compact sporty-car segment to General Motors' Camaro/Firebird, while replacing it with what rwd Mustang advocates call "a fwd Japanese sewing machine."

The product planners would prefer to update the rwd Mustang and keep it going through the 1994 model year, while augmenting it with the fwd Mazda version.

Because of General Motors' cancellation of its GM80 program — which was to have provided fwd successors to the present Firebird/Camaro — those GM rwd models will continue into the early 1990s.

As things stand, two Mustangs could show up in Ford dealer showrooms in the 1988 model season — one from Ford and one from Mazda — unless the Mazda-made Mustang IV gets a different name. Some Ford insiders are concerned that two different Mustangs in the same showroom might bewilder customers and affect both models adversely.

Meantime, Ford's product pot continues to boil.

Production prototypes of the 1988 fwd Continental are now being built in Dearborn.

Production of the Taurus-based Continental, code-named FN9, will begin in a few months at Ford Motor Co.'s assembly plant in Wixom, Mich.

'88 fwd Continental

AUTOMOTIVE NEWS JOE WILSSENS

Another car, codenamed the FN36, will become the 1990 Lincoln Town Car. A large rwd model with an all-new platform, it looks like an aerodynamic limousine.

A car codenamed MN12 will become the midsize 1989 Thunderbird and Cougar. It is similar to the Taurus/Sable in basic design, but sportier.

The super-aerodynamic MN12 will have a supercharged 3.8-liter V-6 engine with sequential-port fuel injection.

FN10 is the codename for the 1991 Lincoln Mark.

That program has not yet been approved. But the car is based on the MN12, which means it will be rwd. A few prototypes have been built and are being kept under extremely tight wraps.

The Lincoln Vignale, a two-passenger convertible concept car, unveiled last fall in Paris and in North America at the Detroit Auto Show this month, seems to be heading into the real world — despite company claims to the contrary.

Designed by Ford's North American design center and fabricated by Ford's Italian facility, Ghia S.p.A. in Turin, Italy, the Vignale is the company's version of a high-performance luxury touring car of the 1990s.

In show dress, the Vignale has a hardtop roof with unusually high glass area, as well as a fabric roof that can be used either up or down.

The Vignale was created to include all-wheel drive, four-wheel anti-lock disc brakes, four-wheel independent suspension and a load-leveling air suspension with automatic soft/firm ride control.

It is designed to be powered by a front-mounted V-8 capable of accelerating the car from zero to 60 mph in less than eight seconds.

Functional prototypes of the Vignale are now being built. The car's first and foremost requirement is a stiff, performance chassis.

The Vignale would compete in the personal luxury-car segment against Cadillac Allante and Chrysler TC Turbo by Maserati.

Finally, a task force in Ford product development has been assigned to work on the next-generation Taurus/Sable, a no-date program but with a likely target around 1992.

Notchback, wagon due for Merkur

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

PALMA, Mallorca — Lincoln-Mercury's Merkur line in the United States will get notchback and wagon versions of the German-built Ford Sierra beginning in 1988, company insiders say.

In addition, sources said the Merkur Scorpio, which is set to debut in the United States in mid-May, will be offered in two price packages as a concession to the dollar's rapid fade against the German mark.

Ford Motor Co. has ruled out offering Scorpio with the highly touted Mustang GT 5-liter V-8 engine as an option, though sources say a prototype was built.

Ford of Germany officials gathered here to preview revisions to the European Sierra — one version of which is the Merkur XR4Ti launched in the United States nearly two years ago.

A notchback model is joining the Sierra line in Europe simultaneous with the updating of the five-year-old design. Insiders said the new Sierra sedan and the existing wagon will be added to the Merkur lineup in the United States, probably in mid-1988.

The U.S. prestige market in which Merkur competes has generally favored sedan designs. At the same time, station wagons — as demonstrated by the success of Volvo and lately the Mercury Sable wagon — are growing in popularity in segments dominated by young, affluent buyers.

Ford officials in Dearborn originally hoped to market the Scorpio at one price with no options, but a Ford source last week said "that price would have been too high."

Plans now call for two levels — a base version and a fully equipped model costing about $3,000 more. Scorpio is expected to be positioned in the $25,000-$30,000 region, but the fading dollar means a final pricing decision will be delayed as long as possible.

The car will be powered by Ford of Europe's revised V-6 engine (now 2.9 liters) introduced on the Scorpio in Europe last fall.

Lincoln-Mercury has said the delay in introducing the car was due chiefly to engineering changes as executives sought an improved performance package.

There was speculation that L-M had eyed the Mustang V-8 as an engine alternative. Sources here confirm that a prototype was built, but proved, among other things, to be nose-heavy and generally unwieldy.

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61st year—No. 5164

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TRUCK INDUSTRY

'86 is best ever with 4.8 million

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

New-truck sales in the United States rose to a record 4,870,839 in calendar 1986, up 4.0 percent from the previous peak of 4,681,698 in 1985.

It was the sixth straight year of truck sales increases.

Executives anticipate a small decline in the light-truck segment this year.

They also look for modest increases in the medium- and heavy-truck segments, with the shift of Class 8 buyers into Class 7 expected to continue.

Peter E. Rupp, president and chief executive officer of Freightliner Corp., anticipates Class 8 sales of 120,000 in calendar 1987, up from 112,871 last year.

His prediction is based on the need to replace aging truck fleets and economic and regulatory factors affecting the industry.

Freightliner edged Mack for the No. 2 spot in Class 8 sales behind Navistar. However, Freightliner's sales, like those of others in Class 8, were off for the year.

Rupp said his company has a strong order board and has increased production during the past four months. He said Freightliner foresees no plant closures or layoffs.

Ford has also seen an increase in its medium- and heavy-truck orders and has been considering overtime at its Louisville, Ky., plant.

David D. Litchfield, manager of Ford's heavy-truck advertising and merchandising department, said he looks for Class 8 to account for a strong 40-45 percent of the medium/heavy market for the foreseeable future.

Class 8 sales of 112,871 in 1986 were off 15.5 percent from the 1985 total, according to the Motor Vehicle Manufacturers Association.

Class 6 sales of 44,796 were down 7.4 percent from the previous year.

Classes 5 and 7, nudged by the Japanese, were up last year.

Class 5 sales of 5,905 were up 16.2 percent from the previous year. Class 7 sales of 100,713 were up 3.9 percent. No Class 4 sales were reported.

Sales of light-duty trucks — Classes 1-3 — reached 4,606,554 last year, up 4.7 percent from the previous year's 4,397,705.

December Truck Sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-4	14,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1986	TOTAL 1985
CHRYSLER	MO	65,184					65,184	45,931
	YR	596,159					596,159	606,388
JEEP	MO	21,439					21,439	20,643
	YR	207,514					207,514	181,380
TOYOTA	MO	35,204					35,204	32,884
	YR	384,916					384,916	329,930
NISSAN	MO	20,375					20,375	15,550
	YR	223,551					223,551	255,601
MAZDA	MO	14,742					14,742	10,125
	YR	157,127					157,127	115,464
AMERICAN ISUZU	MO	9,349					9,349	7,977
	YR	88,720					88,720	78,149
MITSUBISHI	MO	3,772					3,772	1,906
	YR	34,985					34,985	26,739
SUZUKI	MO	6,795					6,795	1,607
	YR	47,732					47,732	2,646
FORD	MO	116,789		1,684	3,222	993	122,688	97,742
	YR	1,324,885		12,643	32,624	11,286	1,381,438	1,271,809
FREIGHTLINER	MO					1,723	1,723	1,873
	YR					17,473	17,473	18,054
CHEVROLET	MO	94,002	24	475	960	35	95,496	106,584
	YR	1,229,437	314	7,476	9,836	531	1,247,594	1,300,130
GMC	MO	26,128	475	285	1,174	568	28,630	28,326
	YR	306,580	5,327	6,723	19,188	7,229	345,047	352,129
KENWORTH	MO					1,063	1,063	1,658
	YR					10,457	10,457	11,830
MACK	MO			316	343	1,934	2,593	2,725
	YR			2,623	2,678	17,247	22,548	28,607
MERCEDES	MO			195	313		508	408
	YR			2,087	1,929		4,016	4,202
NAVISTAR	MO			1,463	2,234	2,278	5,975	6,474
	YR			12,789	31,930	26,303	71,022	72,386
PETERBILT	MO					999	999	1,298
	YR					9,992	9,992	11,941
VOLVO	MO				181	1,213	1,394	1,661
	YR				1,459	11,361	12,820	13,316
HINO	MO		54	46	89		189	0
	YR		54	344	640		1,038	0
NISSAN DIESEL	MO		54	31	77		162	0
	YR		204	91	429		724	0
ISUZU TRUCK OF AMERICA	MO	479	6				485	0
	YR	4,948	6				4,954	0
OTHER DOMESTICS	MO			2		56	58	55
	YR			20		992	1,012	987
GRAND TOTAL	MO	414,258	613	4,497	8,593	10,862	438,823	385,426
	YR	4,606,554	5,905	44,790	100,713	112,871	4,870,839	4,681,698
1985 YR to DATE		4,397,705	5,081	46,358	96,973	133,581		

Class 1-4 sales data reported by individual manufacturers; Class 5-8 data reported by Motor Vehicle Manufacturers Association.

New Navistar drivetrain

SDT system is for construction trucks

CHICAGO — Navistar International Corp. is offering a new simplified heavy-duty drivetrain system for its International S-Series and Paystar trucks used in the construction business and other severe-service applications.

Called SDT (for Simplified Drive Train), the system features a new Cummins L10 high-torque-rise diesel engine that has been matched with a new wide-split Spicer 9505-2A heavy-duty direct drive 5.2 transmission.

The engine is available in 250- and 285-horsepower versions and has a 1,300-2,200-rpm operating range, 100 more rpm than a conventional L10 engine.

The L10 engine produces nearly constant horsepower throughout the entire operating range, allowing effective matchup with a wide-split transmission.

The transmission has torque capacity of 950 pounds-feet. It was developed specifically for severe-service applications by Navistar, Cummins and Spicer engineers, said Robert M. Shaughnessy, Navistar senior vice president, marketing and sales.

Shaughnessy said company tests found trucks with the SDT system to be up to 12 percent more fuel efficient and up to 310 pounds lighter than similarly equipped competitive construction trucks.

The wide operating range of the L10 engine also allows it to be matched with a higher rear-axle ratio, while maintaining the same road speed as an engine rated at 2,100 rpm.

The SDT system is available exclusively on International 2500 and 2600 heavy S-Series models, as well as Paystar and Paystar Weight Watcher on/off-highway conventional construction and severe-service truck models.

For normal situations, the SDT Spicer 9505-A2 transmission is a simple shifting five-speed with direct drive.

For ease of operation, it has only one shift lever.

For off-highway applications, the transmission has two additional forward gears: a 13.9 forward gear for most off-road situations and a 24.36 low-low forward gear for applications such as unloading asphalt where fine speed control is needed.

There are also two reverse gears: a normal reverse of 8.53 and a deep reverse of 24.36 for controlled speed in backing situations.

Rockwell merges divisions making brakes and axles

TROY, Mich. — Responding to a changing global marketplace, Rockwell International Corp.'s Automotive Operations has formed an On-Highway Products Organization.

Ronald L. Roudebush was appointed president.

The restructuring consolidates product planning and development, manufacturing, research and engineering, sales, marketing and finance functions of the former Brake and Trailer Axle and On-Highway Axle divisions.

Don DeFosset is executive vice president of the On-Highway Products Organization. He is responsible for all its activities outside North America and will direct the operations of manufacturing locations around the world.

Roger T. Morgan is vice president, manufacturing, for the group. He will report to DeFosset and be responsible for all operations of the organization's domestic manufacturing facilities.

David C. Blumenstein is vice president and controller, finance. He will direct the new organization's financial activities.

Halden L. Booth is sales vice president. He is in charge of all original-equipment manufacturer and government sales activities, as well as field operations.

Roudebush

DeFosset

Leonard C. Buckman is vice president, brake products. In that newly established position, he will focus on the planning and development of brake systems, including technical support and functional coordination globally.

Gerald DeClaire is vice president, research and engineering. He is responsible for the design, development, testing and applied research for the On-Highway Products Organization.

Harold E. Krivan is vice president, marketing, business development and service parts. He is in charge of managing and expanding the service parts business and also manages marketing programs, training and communications.

In addition to being president of On-Highway Products, Roudebush will also be acting vice president — axle products. In that newly established position, he will be responsible for axle systems, product planning, technical support and functional coordination on a worldwide basis.

SERVICE MANAGEMENT

Service stressed by new imports

Hyundai, Suzuki, Range Rover discuss their requirements

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

America is the land of opportunity for importers of automobiles. In the last 18 months, six nameplates have entered the U.S. market. They are Acura, Hyundai, Range Rover, Sterling, Suzuki and Yugo.

Whether those ventures succeed depends not only on the products offered, but the service with which the importers back them.

Representatives from three of those ventures, Suzuki, Range Rover and Hyundai, discussed the issues involved in establishing a service network.

The importers must train their dealers to repair the new products, and they must provide specialized tools and a parts network that can provide replacement components quickly. They must see to it that their dealers have the proper facilities.

Also, the vehicles must prove to be reliable, given the U.S. driving environment and the habits of the American driver.

William A. Charles, director of service operations for Suzuki of America Automotive Corp., has been on the ground floor in the establishment of three service networks.

In 1972, Charles helped set up the service operation of Mazda's then-new Midwest dealer network.

He worked to establish the DeLorean service and parts network in 1979.

Establishing a service network for Suzuki, which sells the four-wheel-drive Samurai, has been the smoothest of the three operations, he said. The company started with 50 Western and Southeastern dealers last fall and now has 112 dealers in the Western and Eastern U.S.

Charles said, "We have had a wonderful start-up. We have high customer satisfaction based on surveys, and we have had low warranty claims and costs."

He attributed the success of the Suzuki service start-up to the quality of the product and the skill of the dealers and service personnel.

Mazda, he said, had a rocky service start. "Mazda had a good product for its day, but the rotary engine burned oil in the normal course of operation," he said. "That was about the time self-service gas stations came into being. Consumers weren't used to checking oil levels regularly, and low oil levels led to maintenance problems."

In the case of the DeLorean, Charles said, "The car hit the market too fast. The start of the service and parts operation was a success, but the car suffered from component failure and wasn't manufactured for a long enough period to smooth out the glitches."

He called the Suzuki Samurai, which has been manufactured in some form for 16 years, a "simple workhorse."

"Part of our joy is that it doesn't fail," Charles said.

The Samurai has a carbureted, four-cylinder, four-cycle aluminum engine — a basic powerplant to experienced mechanics. However, Charles said, the 4wd system may be new to some technicians.

Mechanics participate in a two-day, bumper-to-bumper familiarization course as well as Power Drive School to learn drivetrain repair. Suzuki has training schools in Orange County, Calif.; and Atlanta. Plans also call for a training school in metropolitan New York.

Charles said mechanics need mostly standard garage tools to repair the Samurai. The company sells its dealers a special tool package for about $500.

Dealers also must buy a start-up parts package that costs about $5,000. Charles said dealers usually order more parts than those in the basic package.

He claimed Suzuki has a 97 percent fill rate on dealer-ordered parts — that is they can ship those parts from U.S. stocks immediately.

He also said the Samurai lends itself to accessories and dealers do well in that area.

The Range Rover is a considerably more exclusive and complex 4wd vehicle than the Samurai. Scheduled for a March introduction in the United States, it will be sold initially at 36 dealerships in Western and East Coast states. Plans call for the network to be expanded during the year to 65 dealerships in major urban markets across the country.

David A. Schworm, general manager — service for Range Rover of North America, said, "The disadvantage of establishing a new organization is that you have to start from scratch. The advantage is that you have the ability to select the best new people."

Range Rover's dealers each send one mechanic to the factory in Great Britain for training.

Schworm said factory training "establishes solid competence in the product. It also gives the mechanic a memorable experience and an allegiance with the product.

He added, "Porsche and Mercedes mechanics in the United States often own an older model that they maintain. Range Rover mechanics don't have that opportunity yet" because the product is new to the U.S. market.

The factory program includes repair procedures, training in off-road driving and a plant tour.

Range Rover also has a training facility in Lanham, Md., where its U.S. operations are based.

That facility will be used by dealer mechanics as well as company field personnel.

To ensure that parts are readily available, Range Rover has contracted with Caterpillar Tractor Co. to distribute parts. Caterpillar has a tremendous reputation in the diesel-engine and earthmover business for supplying spare parts.

The parts will be distributed from Memphis, Tenn., the hub of Federal Express, so overnight shipments are possible.

Range Rover has special maintenance and repair requirements and some specialized tools are needed.

For example, Schworm said, basic Range Rover maintenance requirements exceed those of the the average small sedan — a lube job requires 21 quarts of fluid.

The vehicle also requires special handling in the service bay.

Range Rover dealers are dualed with other high-line makes, and the importer does not require the dealer to build a separate service facility. Dealers, however, must have a work stall and hoist dedicated to Range Rover.

The required hoist is manufactured by a company in Denmark and is suited to the special needs of the vehicle, Schworm said. It must also be painted in the green, yellow and black Range Rover theme.

Dealers also must purchase a special tool kit that includes advanced diagnostic equipment. The kit costs about $3,000.

Hyundai dealers are not dualed with other makes and the company has more control over its dealer facilities. Dealers sell the Hyundai Excel in three-door, four-door and five-door versions.

Suzuki technicians work on a Samurai

The floor of the service area must be light gray and walls must be gray and white and ringed by a blue stripe, said Eric W. Bondus, national manager of service training and warranty for Hyundai Motor America.

Bondus said, "We laugh about it being a McDonald's approach. In consistency, there is the benefit of acceptance. The customer knows where everything is and is familiar with the surroundings."

Because dealers have used-car business, repair stalls can accommodate cars ranging in size from "a Fiat 850 to a Ford one-ton pickup," Bondus said.

He also noted that the company plans to be a full-line importer by 1990, offering cars in other sizes than the Excel.

Hyundai offers garage equipment to its dealers at a national buying price and offers a tool package that includes electronic diagnostic equipment.

In its first year of operation, Hyundai has a parts fill rate of 95 percent, Bondus said. He claimed that is comparable to the top Japanese makes.

Hyundai started with 65 dealers and now has 162 in 30 Western, Eastern and Southern states. The company plans to expand to the Midwest and Northwest, and Bondus predicted it will have 260 dealers in 48 states within 1½ years.

To service customers in the Central United States before dealers are appointed, Hyundai has set up a Customer Assistance Program — a network of 100 independent service outlets that have access to technical assistance, training materials and overnight parts shipment. Bondus said those outlets will remain in operation after dealers in the Central states are appointed.

"There is still a lot of room between dealers," he said.

Bondus said Hyundai looked for experienced dealers who were aware of the importance of the backshop and used-car sales.

He said, "For some dealers, all units — sales, parts and service, and used cars — are profit centers. Other dealers concentrate on new-car sales and regard the other departments as a necessary evil. We looked for balanced dealers."

He added, "Our dealers own five to six dealerships on the average and have been in the business for 17 years on the average."

Bondus claimed the Hyundai has proven exceptionally reliable.

"One dealer told me he feels like the Maytag repairman," he said.

To generate additional business in the backshop, dealers distribute spare parts and body sheet metal to the aftermarket. Dealers also retail parts and accessories that customers might find in the auto section of department stores.

Hyundai has training facilities in New Jersey; Atlanta; and Orange County, Calif. Technicians receive three days of intensive training on engine, transmission, brakes, suspension, steering and other major systems.

The top technician in the dealership is the first to attend the company training session, followed by the number two technician. At the dealership, training videos and workbooks are distributed and additional technicians may attend the schools at no charge.

Also, the service manager is required to attend a one-day course.

Asked if he would change anything in starting a new service network if he had to do it over, Bondus replied, "Picking the best people takes a long time. We were understaffed at the start. But its better to be understaffed than not to have the best."

Shop volume slips in November, first dip since February

SERVICE INDEX
97.7★

	Nov., '86 vs. Nov., '85	11 mos., '86 vs. 11 mos., '85
Gross Profit on All Labor and P&A Sales	+0.4%	+6.9%
Repair Orders Written	−7.9%	−0.3%
Total Labor Sales (Customer & Warranty)	+0.7%	+8.4%
Shop Parts Sales (Customer & Warranty)	− 3.3%	+6.3%
Sales of All P&A	− 1.2%	+3.6%

★—Survey by Automotive News shows that dealers' service and parts business in November 1986, was 97.7 percent of business in November 1985. Service business in the first 11 months of 1986 was 105.0 percent of business in the corresponding period in 1985.

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships declined in November, the first drop in the Automotive News Service Index since February 1986.

Service volume for the first 11 months of 1986, however, continued to outpace volume during the corresponding 1985 period.

The Service Index shows that shop business at dealerships in November amounted to 97.7 percent of the volume in November 1985.

In the first 11 months of 1986, service volume was 105.0 percent of that in the 1985 period.

Dealers and service managers said slow new-car sales, fair weather in some areas and fewer working days than in the previous November stalled service business for the month.

A Northeast Chevrolet dealer said service business slipped because of lagging new-vehicle sales and "a loss of productivity due to mechanics attending schools."

A Northwest Dodge-BMW dealer said, "Service declined as warm weather continued through November. Cold weather brings in service customers."

On the other side of the coin, a Midwest Buick-Pontiac dealer said "Business increased by 11 percent. Colder weather required customers to bring cars in for winter get-ready service earlier than normal."

A Southern Chevrolet dealer said there were only 19 working days at his firm in November 1986, compared with 23 a year earlier.

An Eastern Oldsmobile-Saab-Volvo dealer said, "Repair orders as a measurement of volume in November 1986 were 86 percent of the November 1985 total. If there had been 20 service days in November 1986, as there were in November 1985, volume would have been 90 percent of a year ago. The difference of one day can have a significant impact."

In November, total labor sales (customer-paid and warranty) showed a gain of 0.7 percent. Gross profit on all labor, parts and accessories sales was up 0.4 percent.

Sales of all parts and accessories were down 1.2 percent; shop parts sales (customer-paid and warranty) were down 3.3 percent; and repair orders written were down 7.9 percent.

Parts and accessories sales to off-premises customers were up 0.4 percent in November.

Total labor sales registered the biggest gain in the first 11 months of 1986, climbing 8.4 percent.

Gross profit on all labor, parts and accessories sales rose 6.9 percent through November; shop parts sales increased 6.3 percent; and sales of all parts and accessories climbed 3.6 percent.

Repair orders written through November fell 0.3 percent.

Parts and accessories sales to off-premises customers were up 0.7 percent through November 1986.

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FTC probes demos sold as new

By John Baer
SPECIAL CORRESPONDENT

HARRISBURG, Pa. — The Pennsylvania Automotive Association is warning members that Federal Trade Commission "mystery shoppers" are active in Pennsylvania and adjoining states. The shoppers allegedly are seeking to determine if demonstrators are being sold as new cars in violation of FTC rules.

The association said the FTC is investigating dealers in Maryland and Virginia for violations of the FTC Used Car Rule.

"Under federal law," the PAA said, "a new car, including a demonstrator, must have posted on the window the new Monroney label until the first retail sale."

The Monroney label is the federal price sticker.

"In addition, if the car is a demonstrator, it is defined as a used car for purposes of the FTC Used Car Rule," the PAA said. "Before a dealer offers a demonstrator for sale to a customer, it is imperative that the FTC Used Car label be on the car."

Technically, according to the Pennsylvania dealer association, dealers face a $10,000 fine for not having the label on the car prior to offering it for sale.

"One of the techniques used by the 'mystery shoppers,' " the association said, "is to observe salesmen using demonstrators, and to ask a salesman as he exits whether the car is for sale. If the salesman answers 'yes' without placing an FTC sticker on the car first, this is a technical violation, and the dealer can be cited."

NOVEMBER TRUCK REGISTRATIONS

		6000 & LESS GVW GRP 1	6,001-10,000 GVW GRP 2	10,001-14,000 GVW GRP 3	14,001-16,000 GVW GRP 4	16,001-19,500 GVW GRP 5	19,501-26,000 GVW GRP 6	26,001-33,000 GVW GRP 7	33,001- & OVER GVW GRP 8	TOTAL 1986	TOTAL 1985
DODGE	MO	29,037	10,177							39,214	34,151
	YR	276,425	138,059							414,484	460,777
*DAKOTA, RAIDER, CARAVAN, RAM VAN/CHARGER/50/WGN	MO	26,911	5,151							32,062	24,098
	YR	236,993	83,074							320,067	311,186
PLYMOUTH VOYAGER	MO	7,553								7,553	8,302
	YR	95,353								95,353	95,306
TOTAL CHRYSLER CORP.	MO	36,590	10,177							46,767	42,453
	YR	371,778	138,059							509,837	556,083
FORD	MO	51,691	31,927				1,087	2,096	745	87,546	108,714
	YR	740,867	439,756	3			10,111	27,041	9,788	1,227,566	1,134,312
*VAN, BRONCO, RANGER & AEROSTAR	MO	39,130	11,131							50,261	65,425
	YR	549,034	134,324							683,358	567,769
FREIGHTLINER	MO								1,232	1,232	1,316
	YR								15,014	15,014	16,451
MERCEDES-BENZ	MO						159	160		319	397
	YR						1,809	1,407		3,216	4,066
TOTAL DAIMLER-BENZ CORP.	MO						159	160	1,232	1,551	1,713
	YR						1,809	1,407	15,014	18,230	20,537
CHEVROLET	MO	40,573	29,567	2,095	34	20	510	736	41	73,589	104,459
	YR	658,606	444,159	25,598	365	269	6,590	9,364	425	1,145,395	1,150,330
*VAN, EL CAMINO, S10 BLAZER & ASTRO	MO	31,334	9,720							41,054	69,200
	YR	503,985	163,333							667,318	655,346
GMC	MO	8,535	9,165	212	21	657	603	1,033	557	20,783	28,614
	YR	148,541	125,423	2,514	215	4,253	5,870	16,746	6,472	310,037	319,482
*VAN, JIMMY, S15, CABALLERO & SAFARI	MO	8,365	2,848							9,213	15,902
	YR	109,785	41,556							151,341	150,598
TOTAL GM CORP.	MO	49,108	39,752	2,307	55	677	1,113	1,772	598	94,382	133,073
	YR	807,146	569,582	28,112	603	4,522	12,460	26,110	6,897	1,455,432	1,469,812
INTERNATIONAL	MO						1,096	1,785	2,179	5,060	6,284
	YR						18,016	19,514	23,473	61,003	66,691
JEEP TRUCK	MO	13,795	1,725							15,520	21,688
	YR	156,719	15,166							171,885	159,281
*WRANGLER/CJ's, CHEROKEE, WAGONEER & SCRAMBLER	MO	11,161	1,626							12,807	18,449
	YR	127,931	13,814							141,745	152,176
MACK	MO						135	161	1,165	1,461	2,019
	YR						2,083	2,092	15,067	19,242	26,438
KENWORTH	MO								923	923	1,007
	YR								9,831	9,831	10,505
PETERBILT	MO								841	841	918
	YR								9,026	9,026	11,067
TOTAL PACCAR CORP.	MO								1,764	1,764	1,925
	YR								18,857	18,857	21,572
AUTOCAR	MO								112	112	123
	YR								1,512	1,512	1,572
VOLVO	MO							129	67	196	251
	YR							1,222	939	2,161	2,205
WHITE	MO								669	669	744
	YR								6,602	6,602	7,639
TOTAL VOLVO WHITE CORP.	MO							129	846	977	1,118
	YR							1,222	9,053	10,275	11,616
WESTERN STAR	MO								269	269	92
	YR								997	997	1,044
MISCELLANEOUS DOMESTIC	MO		155					7	141	303	478
	YR		2,839					99	1,908	4,846	5,282
OTHER IMPORTS	MO	53,159	461	502	49	21	29	86	12	54,328	65,046
	YR	837,632	8,592	5,267	678	284	291	753	65	853,580	796,197
GRAND TOTAL	MO	214,343	83,197	2,809	104	698	3,618	6,206	8,953	319,928	384,603
	YR	2,914,142	1,173,994	33,402	1,279	4,806	44,770	78,238	101,119	4,351,750	4,270,865
1985 YR. TO DATE		2,767,701	1,213,677	33,918	815	5,884	53,402	71,317	124,151		

*—INCLUDES MULTIPURPOSE VEHICLES.
Compiled from official State Records by R.L. Polk & Co. Manufacturers' sales records are used in compiling Oklahoma for 1985 and 1986.
Registrations for Massachusetts are temporarily delayed.

U.S. IMPORT SALES

	Dec. 1986	Dec. 1985	12 Mos. 1986	12 Mos. 1985
ACURA	9,280	0	52,869	0
Integra	5,038	0	27,807	0
Legend	4,242	0	25,062	0
ALFA ROMEO	574	182	3,201	4,402
AUDI	3,788	6,343	59,797	74,061
4000S	813	1,219	12,263	17,448
4000CS Quattro	417	579	4,174	4,897
5000S	1,496	3,396	30,810	39,880
5000CS Turbo	361	647	6,303	7,717
5000CS Turbo Quattro	503	223	3,400	451
Quattro Coupe	0	2	1	73
Coupe GT	198	277	2,846	3,586
BMW	10,472	7,651	96,759	87,832
318i	8	451	907	23,112
524 TD	23	226	1,759	1,847
325	6,430	4,140	60,915	30,793
528e	2,102	1,163	15,880	11,260
535i/535iS	765	679	7,377	7,038
635CSI	385	351	2,979	3,824
735/L-7	759	641	6,942	9,938
CHEVROLET	11,418	9,423	160,363	84,860
Spectrum	7,934	4,549	99,380	53,968
Sprint	3,484	4,874	60,983	30,892
CHRYSLER/MITSUBISHI	12,584	13,506	135,529	105,213
Colt	7,924	10,298	93,344	76,215
Conquest	1,107	507	7,089	5,387
Vista	3,553	2,701	35,096	23,611
HONDA	40,306	40,866	405,399	406,413
Civic/CRX	17,876	22,676	212,791	208,031
Accord	12,607	12,735	112,767	122,444
Prelude	9,823	5,455	79,841	75,938
HYUNDAI	22,412	0	168,882	0
ISUZU	4,662	1,918	38,910	26,953
I-Mark	3,414	1,264	26,046	12,780
Impulse	1,248	654	12,864	14,173
JAGUAR	2,757	3,114	24,464	20,528
XJ6	2,112	2,409	19,579	16,744
XJS	645	705	4,885	3,784
MASERATI	60	63	1,179	1,353
MAZDA	28,299	25,468	222,716	211,093
323	9,062	9,181	74,082	64,444
626	12,675	10,878	92,431	92,839
RX-7	6,562	5,409	56,203	53,810
MERCEDES BENZ	13,772	10,320	101,404	89,098
190	3,040	2,248	21,897	25,691
260E	526	0	859	0
300	3,849	2,602	28,302	23,587
300SDL Turbo	1,087	104	7,143	6,746
420SEL	2,073	1,827	16,148	10,885
560SEL	1,164	692	10,153	7,842
560SL	1,729	1,343	12,565	10,508
560SEC	224	303	2,247	1,638
Tourist	80	201	2,090	2,201
MERKUR	758	888	14,315	8,974
MITSUBISHI	5,438	3,601	49,436	49,734
Starion	612	402	5,792	4,841
Cordia	455	416	4,997	8,159
Tredia	896	803	9,449	10,902
Mirage	1,726	910	14,639	13,066
Galant	1,554	1,070	14,364	12,766
Van/Wagon	195	0	195	0
NISSAN	38,742	39,270	493,549	535,372
Sentra	7,852	9,586	158,892	179,220
Pulsar	5,789	3,668	47,350	49,816
Stanza	6,101	5,376	67,804	64,400
Maxima	9,325	8,751	112,756	99,051
200SX	3,325	4,411	45,952	65,789
300ZX	4,568	5,159	52,936	67,409
Hawaii	1,782	2,319	7,861	9,687
PEUGEOT	4,269	3,219	14,336	15,636
PORSCHE	3,547	2,484	30,471	25,306
924S	340	0	3,095	0
944	844	1,148	9,488	15,459
944S	485	0	806	0
944 Turbo	380	470	6,215	1,375
911 Coupe	577	430	4,485	4,457
911 Turbo	162	104	1,384	261
911 Cabriolet	338	104	2,215	1,172
928S	421	228	2,780	2,582
RENAULT	388	395	4,152	7,205
18i	388	112	2,760	2,301
Fuego	0	283	1,392	4,904
SAAB	3,677	3,412	47,414	38,243
900	704	1,011	13,869	11,353
900S	1,307	1,144	15,151	11,836
900 Turbo	775	658	8,627	14,259
9000 Turbo	891	599	9,767	795
Tourist	0	0	0	0
SUBARU	15,468	16,246	183,242	178,175
Hatchback	966	1,602	15,972	15,934
3 Door	1,224	1	12,032	1
4-Door Sedan	3,626	5,188	49,706	57,665
XT	1,709	1,838	23,947	14,464
Station Wagon	7,584	7,384	77,436	86,036
Brat	354	233	4,142	4,075
Justy	5	0	5	0
TOYOTA	71,359	53,745	633,874	620,047
Corolla	16,773	13,215	152,137	168,378
Tercel	8,894	5,342	76,914	88,841
Celica	10,106	10,120	106,731	80,480
Supra	3,924	1,180	33,823	23,569
Camry	17,112	12,366	151,767	128,132
Cressida	4,280	3,298	42,180	45,294
Land Cruiser	611	770	4,475	4,740
Van	2,659	1,934	21,936	32,631
4Runner SR 5	366	527	5,564	5,495
MR2	2,757	2,751	28,851	32,309
Hawaii	3,877	2,240	9,496	10,178
Other	0	0	0	0
VOLKSWAGEN	11,846	10,275	143,318	140,508
Cabriolet	1,224	915	14,275	12,637
Jetta	7,196	7,280	93,610	83,611
Vanagon	1,194	624	12,669	16,759
Quantum	1,352	857	11,880	13,953
Scirocco	881	599	10,884	13,548
VOLVO	2,140	4,321	113,267	104,267
240 Series	952	2,219	54,195	52,851
740 Series	815	1,498	46,578	37,164
760 Series	228	425	10,313	12,290
Tourist	145	179	2,181	1,962
YUGO	4,299	1,698	35,959	3,895
IMPORT TOTAL	322,315	258,408	3,239,805	2,839,168

Total includes trucks, domestic

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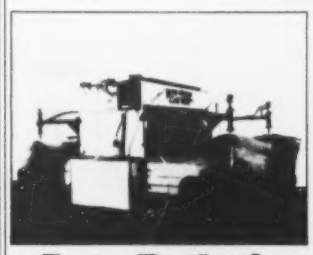

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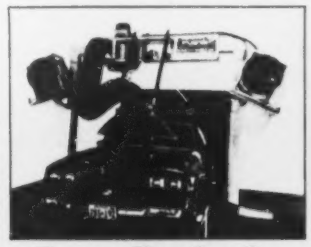

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AUCTION DATES

American Motors

Jan. 27 — High Point Auto Auction, High Point, N.C.

Jan. 28 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Jan. 29 — Evansville Auto Auction, Evansville, Ind., and Corry Auto Auction, Corry, Pa.

Jan. 30 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler Corp.

Jan. 27 — Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Jan. 28 — Southern Auto Auction, Warehouse Point, Conn.; Sand Mountain Auto Auction, Boaz, Ala.; and South Seattle Auto Auction, Kent, Wash.

Jan. 29 — Fredericksburg Auto Auction, Fredericksburg, Va.

Jan. 30 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

January to date	$5,891
Month ago	$5,129
Year ago	$4,833

Ford Motor Co.

Jan. 27 — South Seattle Auto Auction, Kent, Wash.

Jan. 28 — Columbus Fair Auto Auction, Obetz, Ohio, and Clanton's Auto Auction, Darlington, S.C.

Jan. 29 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; Floyd Hauhe Auto Auction, Bridgeton, Mo.; and Albuquerque Auto Auction, Albuquerque, N.M.

Feb. 3 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

Feb. 4 — Northway Auto Exchange, Clifton Park, N.Y.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 5 — Nashville Auto Auction, Nashville, Tenn., and Skyline Auto Exchange, Fairfield, N.J.

Model Breakdown
Auction Averages

	JAN 1987	DEC 1986	NOV 1986
1987	$13,158	$ 00	$ 00
1986	$12,058	$11,149	$11,299
1985	$7,526	$8,144	$8,286
1984	$6,035	$6,142	$6,186
1983	$5,200	$5,386	$5,420
1982	$3,854	$4,141	$4,190
1981	$2,918	$3,177	$3,244
1980	$2,117	$2,349	$2,387
Overall Average	$5,891	$5,129	$5,181

General Motors

Jan. 27 — Harrisonburg Auto Auction, Harrisonburg, Va.

Jan. 28 — Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Jan. 29 — Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

AUCTION DIRECTORY

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Lakeland Auto Auction, I-4, SR 33, P.O. Box 3806, Lakeland, Florida. Sale every Wednesday. 813-984-1551. "Profit the Lakeland way."

FLORIDA

Gulf Coast Auto Auction, 1319 61st Ave. E., Bradenton, Fla. 34203. 813-756-8478. Complete service fleet & lease accounts. Contact: J. Omar Landis, Henrietta Letty.

FLORIDA

Sanford Auto Auction. I-4 St. Rd. 46 Exit, 51 E., P.O. Box 997, Sanford, FL. Sale every Thurs. at 6:30. Ph: 305-323-4090. Fastest growing auction in the Southeast.

ILLINOIS

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ILLINOIS

Rockford Auto Auction, 6316 Beltline Rd., Rockford, Illinois 61109. Chicago suburb, 150 mile pickup. Commercial fleet and lease. Wednesdays. 815-968-6262.

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Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. Call: 614-871-2771

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IMPORTED-CAR RETAIL OUTLETS

	Jan. 1, 1987		Jan. 1, 1986	
Imported cars only:				
Exclusives	3,497		2,974	
Duals	1,254		1,176	
		4,751		4,150
Import-domestic duals:				
Domestics with captive imports	9,767		9,836	
Domestics with other imports	2,451		2,406	
		12,218		12,242
Total imported-car dealers		16,969		16,392

Notes: Renault and Volkswagen are counted as domestics. Captive imports are Chevrolet Sprint and Spectrum; Chrysler Conquest; Dodge Colt, and Vista; Plymouth Colt, and Vista; Merkur.

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DEALERS

FROM PAGE 3

remained in third place.

Another important trend that continued last year was the shift to exclusive, one-make import dealerships. On Jan. 1, 20.6 percent of the outlets were exclusives, compared with 18.1 percent a year earlier. Mitsubishi, Hyundai and Acura, all new and growing dealer groups, are comprised entirely of exclusives. And, many importers who are trimming points are cutting duals while adding exclusives.

Honda, with 687, had the highest number of single-line dealers. Toyota remained in second place with 660, followed by Nissan with 593.

The on-paper addition of separate Chrysler Conquest franchises did a number of things statistically to the franchise count.

For one thing, it gave the domestic makers some 61.5 percent of the total number of import franchises through their captive makes. However, the captives account for considerably less than that percentage of either retail outlets or imported-car retail sales.

In fact, Merkur franchise trimming by Lincoln-Mercury and overall point trimming at Chevrolet actually reduced the number of dealerships selling the captive makes. However, there was an increase in the number of dealerships selling two or more independent imported makes or a combination of domestic and non-captive imported makes.

Another result of the Chrysler Conquest change was to give Japanese makes an an even-larger percentage percentage of all import franchises — 80.3 percent on Jan. 1, compared with 78.9 percent a year earlier.

West German-make franchises declined slightly during the year, but remained the second-largest block. West German makes accounted for 9.7 percent of the franchises on Jan. 1, compared with 11.7 percent one year earlier.

Sweden remained in third place, with 3.2 percent of the franchises, compared with 3.7 percent on Jan. 1, 1986.

British makes, spurred by the addition of Sterling and growth by three other makes, moved into fourth place with 2.1 percent of the franchises, compared with 1.6 percent at the same time last year.

The Italian share remained at 1.8 percent, while the French share dropped to 1.1 percent from 1.4 percent.

Yugoslavia accounted for nearly 1.1 percent, compared with 0.8 percent last year, while South Korea established a U.S. market beachhead with two-thirds of one percent.

IMPORT OUTLETS

1957 to 1987

Jan. 1, 1957	2,930
Jan. 1, 1958	11,409
Jan. 1, 1959	14,031
Jan. 1, 1960	14,674
Jan. 1, 1961	13,135
Jan. 1, 1962	11,894
Jan. 1, 1963	7,138
Jan. 1, 1964	5,249
Jan. 1, 1965	5,856
Jan. 1, 1966	6,013
Jan. 1, 1967	6,588
Jan. 1, 1968	7,156
Jan. 1, 1969	7,869
Jan. 1, 1970	8,311
Jan. 1, 1971	9,860
Jan. 1, 1972	12,375
Jan. 1, 1973	13,332
Jan. 1, 1974	11,246
Jan. 1, 1975	11,489
Jan. 1, 1976	10,414
Jan. 1, 1977	11,387
Jan. 1, 1978	17,374
Jan. 1, 1978	17,700*
Jan. 1, 1979	17,114
Jan. 1, 1980	16,919
Jan. 1, 1981	16,681
Jan. 1, 1982	11,270**
Jan. 1, 1983	10,011***
Jan. 1, 1984	10,096
Jan. 1, 1985	12,427
Jan. 1, 1986	16,392
Jan. 1, 1987	16,969

*—Alltime high

**—VW counted as domestic in 1982 and subsequent years.

***—Renault counted as domestic in 1983 and subsequent years.

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Sales jump 18% in Germany

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Europe's record 11.6 million new-car sales volume in 1986 was accomplished on the back of the booming West German industry.

While new-car sales elsewhere in western Europe improved 6.6 percent, the German market, Europe's largest and the third biggest in the world, grew 18.2 percent, according to industry estimates compiled by Automotive News.

New-car sales here reached an all-time record 2,813,000, up from 2,379,000 in 1985. Only the Spanish market, which expanded nearly 20 percent, grew faster.

Most industry analysts expect West German sales to fall slightly this year, perhaps to approximately 2.65 million.

The partial phase-out of tax incentives on cars equipped with catalytic converters that took effect this month helped boost December's sales by 53.5 percent. Most observers expect the same sales pace through 1987 as last year, but without the year-end upsurge.

In an interview with Automotive News, Daniel Goeudevert, Ford of Germany managing director, predicted that a further reduction in the tax incentive, which is scheduled for January 1988, will have a less dramatic affect on year-end sales

"The tremendous increase in December registrations will not be repeated next year," said Goeudevert. "But if we achieve 2.6 million it would be a great year."

Japanese automakers were the biggest beneficiaries of the expanding and unrestricted West German market, increasing their combined share from 13.1 percent to 14.8 percent. Japanese sales are restricted in France, Italy, Spain and the United Kingdom.

Toyota sales here rose nearly 50 percent, from 61,200 in 1985 to 91,300. Toyota's enormous gain in West Germany enabled it almost to match rival Nissan in overall European volume. Nissan finished with 3 percent of the market across Europe, up from 2.9, while Toyota notched 2.9 percent, compared with 2.6 percent in 1985.

More than 25 percent of Toyota's total sales in Europe were achieved in Germany. Its market share, the largest of any Japanese maker here, climbed from 2.6 percent to 3.2 percent, surpassing Renault. The French company's sales, bolstered by the falling franc against the German mark, grew 18.2 percent in West Germany.

West Germany's leading import was Peugeot S.A., according to industry sources, with sales of 131,500, a 34.3 percent increase. Fiat sales in West Germany rose 20.1 percent to 125,300.

Volkswagen Group maintained its leading market share at just under 29 percent. VW's Golf/Jetta represented nearly 15 percent of all new-car sales in West Germany.

Second-place Opel gave up some ground to the Japanese, slipping from 15.6 percent share to 15.1 percent, while increasing sales volume 14.2 percent.

Mercedes-Benz and BMW each lost share in their home market last year as lower-priced segments expanded. Mercedes held on to third place overall with a 10.7 percent sales gain and 10.8 percent of the market, down from an 11.5 percent share in 1985.

Specialist BMW fell from 6.7 percent of the market in 1984 to 6.1 percent in 1985 and dropped still farther to 5.2 percent last year. Volume at BMW was up only 2 percent in a total market that increased 18.2 percent.

However, the company improved its West German performance in recent months. Through the first three-quarters of 1986, BMW sales were down 2.8 percent from 1985.

The growth in West Germany followed two years of stagnation, while Spain overcame a decade-long sales slump in 1986. Spain, Europe's fastest-growing new-car market, went from 575,000 to 689,000 — eclipsing the previous record of 633,000 in 1977.

The Spanish market turned red-hot at midyear and continued to rise till year end.

EUROPE

FROM PAGE 2

market share last year. Peugeot S.A., Renault, General Motors, Ford, BMW, Volvo and Austin Rover lost share in the record market, while Japanese leaders Nissan, Toyota, Mazda and Mitsubishi registered gains.

Nissan sales increased 13.8 percent to 348,900 cars, giving the company 3 percent of the European total. Rival Toyota jumped 22.4 percent to 336,200 and ended the year with 2.9 percent of the market.

Mazda climbed 16.8 percent to 237,700 and Mitsubishi 21.3 percent to 141,100.

Volkswagen Group rode the crest of the vibrant West German market, which grew by 18 percent to 2.81 million units in 1986. The Wolfsburg group maintained 28 percent of that country's market.

Volkswagen would have held the European sales lead last year even without acquiring a majority interest in Spanish automaker Seat. The VW marque alone represented 10.7 percent of European sales, up from 10.5 percent in 1985.

VW's Golf/Jetta accounted for 6.8 percent of Europe's new-car volume with 795,604 units.

Audi's share in Europe dropped from 2.5 to 2.3 percent, while sales increased 4.1 percent. But VW's prestige unit has been on the rampage since introducing the new Audi 80 (4000) last fall.

Seat sales were up 23.3 percent to 191,700, giving VW an additional 1.6 percent of the European market.

Fiat Auto boosted its share of the European market from 12.3 percent to 12.5 percent. Sales jumped 11.8 percent to 1,458,300 — the biggest surge of any European company.

Its share of the Italian market rose from 52.3 percent to 54.4 percent. With the acquisition of Alfa Romeo last fall, it now controls better than 60 percent of the market that reached 1.82 million units in 1986.

NEW-CAR SALES IN EUROPE

Country	12 mos., 1986	12 mos., 1985	Pct. change, 1986 vs. 1985
West Germany	2,813,300	2,379,300	+ 18.2
France	1,892,500	1,766,300	+ 7.1
United Kingdom	1,882,500	1,832,400	+ 2.7
Italy	1,823,900	1,744,400	+ 4.6
Spain	689,100	575,100	+ 19.8
Netherlands	563,000	495,500	+ 13.6
Belgium/Lux	428,300	389,600	+ 9.9
Switzerland	306,800	271,900	+ 12.8
Sweden	268,800	263,000	+ 2.2
Austria	254,800	242,700	+ 5.0
Denmark	168,100	156,600	+ 7.3
Norway	167,300	159,100	+ 5.2
Finland	142,700	137,400	+ 3.8
Portugal	106,000	91,700	+ 15.6
Greece	61,200	78,500	– 22.1
Ireland	56,800	59,500	– 4.7
TOTAL	11,625,100	10,643,000	+ 9.2

Alfa Romeo gives Fiat another 1.5 percent of the total European market and puts the Turin giant in a position to challenge VW for the sales lead this year.

Ford held on to third place with sales of 1,361,500, which was strong enough for 11.7 percent of Europe's market. Ford sales were up 7.4 percent but market share fell from 11.9 percent.

Peugeot S.A. finished fourth with 11.3 percent on sales of 1,315,600, a 7.3 percent increase over 1985. GM followed with 11.1 percent on sales of 1,287,100, a 6.2 percent increase.

Renault's share fell from 10.7 percent in 1985 to 10.6 percent. But the French government-owned automaker has been reclaiming market share since its slice of the European market dropped to 9.9 percent at midyear.

Renault sales for the year were 1,234,400, an 8.4 percent increase sparked by introduction of the R-21 sedan last spring and aggressed from 394,000 to 436,600.

Well over half of Mercedes' European sales increase of 42,600 was achieved in West Germany, where the luxury-car maker boosted sales by 10.7 percent.

BMW lost European share despite the strong home market. The Munich specialist saw its West German market share drop from 6.1 percent to 5.2 percent on an overall sales gain of 2 percent. Its European market share fell from 2.7 percent to 2.6 percent.

Volvo declined 9.6 percent in the Swedish market, losing ground to Saab. But European sales were up 5.1 percent as it registered gains in West Germany and the United Kingdom. Market share in Europe was off slightly, declining from 2.4 percent to 2.3 percent.

OBITUARIES

Arthur Stanton, 69, pioneer VW distributor

NEW YORK — Arthur Stanton, 69, chairman of World-Wide Volkswagen Corp., the first VW distributorship in the United States, died Jan. 20 while attending a dealer meeting in Hawaii.

Mr. Stanton founded World-Wide Volkswagen, the distributorship for New York, New Jersey and Connecticut, in 1954. He once remarked that the distributorship was established with a handshake.

Mr. Stanton was considered by many to be the founding father of VW in the United States. He imported the first Beetle into the country in 1949 and, according to Noel Phillips, president of Volkswagen of America, helped establish a legend.

From the small beginnings in 1954, he saw the distributorship grow to serve 100 dealers selling 46,000 cars in this area.

Bernard E. Platt

ROYAL OAK, Mich. — Bernard E. Platt, 68, retired Mack Trucks Inc. executive, died Jan. 19. He retired in 1983 as regional vice president of Mack Trucks in Detroit.

Frederick W. Hertrich Jr.

SEAFORD, Del. — Frederick W. Hertrich Jr., 72, founder and president of Hertrich Pontiac-Buick here, died Dec. 31. Mr. Hertrich was a former president of the Delaware Automobile Dealers Association.

Walter D. Appel

PONTIAC, Mich — Walter D. Appel, 95, retired automotive engineer, died Jan. 18. Mr. Appel was a former engineering executive at General Motors, Ford Motor Co. and Willys-Overland.

Canadian sales slated for Yugo this year

BELGRADE, Yugoslavia — Crvena Zastava, the Yugoslavian producer of the Yugo subcompact, will export 3,000 Yugo GV models to Canada beginning later this year, according to Tanjug, the official government news agency.

The contract for cars and spare parts is valued at $10 million by Tanjug, which said sales will start in the second half of 1987.

The news agency did not name the partners in the import program nor announce a pricing policy.

Car output edges up

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers scheduled production of 165,586 cars last week, 1.40 percent more than the previous week's 163,295 but 6.73 percent below the year-ago week's 177,528.

So far this year, 469,448 cars have been assembled, 19.48 percent below the 583,001 completed last year at this point.

Companies split last week's targeted production as follows: General Motors, 50.29 percent; Ford Motor Co., 25.63 percent; Chrysler Motors, 13.23 percent; Honda of America Manufacturing Inc., 4.42 percent; New United Motor Manufacturing Inc., 2.54 percent; Nissan Motor Manufacturing Co., U.S.A., 1.77 percent; Volkswagen of America, 1.21 percent; and American Motors, 0.91 percent.

GM has increased its number of indefinite layoffs by 3,000, to 27,000. The layoffs were a result of scheduled adjustments at various GM assembly and components plants.

GM's Leed's, Mo., plant will be idle this week (Jan. 26) until Feb. 2 because of a parts shortage.

GM's Lordstown, Ohio, plant resumed output today (Jan. 26). The plant was down last week for inventory adjustment.

GM's Arlington, Texas, plant remains down for installation of painting equipment. The plant is expected to resume production Feb. 16.

GM's Lakewood, Ga., facility will be idle until early May for model changeover.

Ford's Dearborn, Mich., and Chicago plants were slated for Saturday (Jan. 24) overtime.

Daily overtime is scheduled at all Ford car plants this week. Saturday (Jan. 31) overtime is slated at Ford's Lorain, Ohio, plant.

Chrysler scheduled daily overtime this week at its Belvidere, Ill.; Newark, Del.; and Sterling Heights, Mich., plants.

Truck production declines 2%

Last week's scheduled domestic truck production totaled 76,810 units, 2.16 percent below the previous week's 78,502 but 8.39 percent more than the year-ago week's 70,865.

Year-to-date, 229,654 trucks have been assembled, 3.62 percent below the 238,275 built last year at this point.

General Motors' Baltimore plant was scheduled for overtime Saturday (Jan. 24).

Ford Motor Co., slated Saturday overtime at its Wayne, Mich., and Kansas City, Mo., plants.

All Ford truck plants are scheduled for daily overtime this week (Jan. 26).

Ford's Twin Cities, Mo., and Norfolk, Va., plants are slated for overtime next Saturday (Jan. 31).

Canadian assemblies on the rise

Canadian car makers targeted production of 21,224 units last week, 25.57 percent more than the previous week's 16,902 and 1.37 percent more than the year-ago week's 20,937.

So far this year, 54,941 cars have been assembled, 17.32 percent below the 66,448 completed last year at this point.

Truck production was pegged at 16,732 units last week, 4.11 more than the previous week's 16,071 but 11.71 percent below the year-ago week's 18,951.

Year-to-date, 48,697 trucks have been built, 22.94 percent below the 63,191 assembled last year at this time.

General Motors' Ste. Therese, Quebec, plant, resumed output of the Oldsmobile Cutlass Supreme and Pontiac Bonneville and Grand Prix last week.

The plant had been idle for two weeks for inventory adjustment.

CANADIAN CAR	Week Ended Jan. 24, 1987	Week Ended Jan. 25, 1986	Week Ended Jan. 17, 1987	Jan. to Date	Jan. 1 to Jan. 25, 1986	Jan. 1 to Jan. 24, 1987
AMERICAN MOTORS	150	383	153	453	1,227	453
FORD MOTOR	11,469	11,520	11,250	33,757	38,610	33,757
GENERAL MOTORS	9,280	8,809	5,198	19,788	25,874	19,788
HONDA	100	0	76	245	0	245
VOLVO	225	225	225	698	737	698
Total Cars, Canada	21,224	20,937	16,902	54,941	66,448	54,941

U.S. TRUCK☆	Week Ended Jan. 24, 1987	Week Ended Jan. 25, 1986	Week Ended Jan. 17, 1987	Jan. to Date	Jan. 1 to Jan. 25, 1986	Jan. 1 to Jan. 24, 1987
CHEVROLET	22,495	25,395	22,922	67,603	84,536	67,603
DODGE	4,200	0	4,641	12,707	0	12,707
FORD	32,815	29,019	32,876	97,664	95,975	97,664
GMC	7,680	6,855	7,560	22,129	24,529	22,129
NAVISTAR	1,543	1,485	1,602	4,614	4,972	4,614
JEEP	4,039	5,248	4,837	12,730	19,634	12,730
NISSAN	1,688	813	1,714	5,157	1,457	5,157
AM GENERAL*	50	50	50	150	172	150
MISCELLANEOUS*	2,300	2,000	2,300	6,900	7,000	6,900
Total Trucks, U.S.	76,810	70,865	78,502	229,654	238,275	229,654

CANADIAN TRUCK	Week Ended Jan. 24, 1987	Week Ended Jan. 25, 1986	Week Ended Jan. 17, 1987	Jan. to Date	Jan. 1 to Jan. 25, 1986	Jan. 1 to Jan. 24, 1987
AMERICAN MOTORS	625	0	636	1,869	0	1,869
CHRYSLER	8,964	9,219	9,150	27,227	31,021	27,227
FORD	3,648	3,495	3,539	10,420	12,059	10,420
GENERAL MOTORS	3,296	6,068	2,547	8,581	19,543	8,581
NAVISTAR	199	169	199	600	568	600
Total Trucks, Canada	16,732	18,951	16,071	48,697	63,191	48,697
N. American Trucks	93,542	89,816	94,573	278,351	301,466	278,351

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Jan. 24, 1987	Week Ended Jan. 25, 1986	Week Ended Jan. 17, 1987	Jan. to Date	Jan. 1 to Jan. 25, 1986	Jan. 1 to Jan. 24, 1987
AMERICAN MOTORS	1,500	2,823	1,500	3,000	2,750	3,000
Renault Total	1,500	2,823	1,500	3,000	2,750	3,000
Alliance	1,500	2,378	1,500	3,000	2,375	3,000
Encore	0	445	0	0	375	0
CHRYSLER MOTORS	21,900	32,008	28,333	72,752	102,820	72,752
Plymouth Total	8,700	9,177	10,691	27,973	29,890	27,973
Horizon	3,200	3,043	4,091	10,684	10,861	10,684
Sundance	1,500	0	2,355	5,815	0	5,815
Reliant	3,000	4,481	2,932	8,287	13,975	8,287
Caravelle	1,000	1,399	1,313	3,187	4,393	3,187
Gran Fury	0	254	0	0	661	0
Chrysler Total	4,900	11,975	6,131	15,622	37,132	15,622
Laser	0	1,051	0	0	3,521	0
LeBaron K	1,500	2,913	1,942	5,040	9,195	5,040
LeBaron J	1,400	0	1,470	3,940	0	3,940
LeBaron GTS	500	2,500	781	2,022	7,614	2,022
New Yorker/E-Class	1,400	1,756	1,938	4,620	5,202	4,620
Fifth Avenue	0	3,755	0	0	11,600	0
Dodge Total	8,400	10,856	11,511	29,157	35,798	29,157
Daytona	800	1,044	736	2,079	3,530	2,079
Omni	2,800	3,153	3,564	9,337	10,897	9,337
Shadow	1,400	0	2,202	5,376	0	5,376
Aries	1,900	2,479	3,044	7,355	8,003	7,355
Dodge 600	1,000	1,727	1,315	3,217	5,470	3,217
Lancer	500	1,939	650	1,793	6,419	1,793
Diplomat	0	514	0	0	1,479	0
FORD MOTOR	42,446	35,695	43,334	126,288	113,598	126,288
Ford Division	29,595	24,161	29,608	86,768	76,731	86,768
Escort	7,488	7,879	7,931	22,629	26,417	22,629
Mustang	4,887	4,166	4,202	13,678	13,558	13,678
Tempo	4,158	4,687	4,169	12,293	14,716	12,293
Taurus	10,692	3,764	10,718	30,742	9,828	30,742
Thunderbird	2,360	3,665	2,588	7,426	12,212	7,426
L-M Division	12,851	11,534	13,726	39,520	36,867	39,520
Mercury Total	9,191	7,851	9,657	27,877	24,642	27,877
Lynx	1,227	1,571	1,337	3,810	5,130	3,810
Capri	0	384	0	0	1,680	0
Topaz	1,335	1,581	1,373	3,989	4,946	3,989
Cougar	3,497	2,434	3,853	11,075	7,996	11,075
Sable	3,132	1,881	3,094	9,003	4,890	9,003
Lincoln Total	3,660	3,683	4,069	11,643	12,225	11,643
Continental	369	408	404	1,164	1,492	1,164
Lincoln	2,743	2,766	3,052	8,730	9,174	8,730
Mark VII	548	509	613	1,749	1,559	1,749
GENERAL MOTORS	83,295	97,575	73,700	220,839	330,419	220,839
Buick Total	16,992	15,571	14,276	43,337	58,207	43,337
Skyhawk	2,233	1,696	2,074	4,307	6,478	4,307
Century	4,437	5,464	4,377	13,462	20,760	13,462
Regal	1,844	1,161	0	1,844	3,006	1,844
Somerset/Skylark	2,225	2,183	2,237	6,653	7,125	6,653
LeSabre (fwd)	2,284	1,616	2,125	7,088	4,815	7,088
LeSabre/Electra (rwd)	384	218	0	2,157	787	2,157
Electra (fwd)	2,717	2,842	2,647	5,364	13,826	5,364
Riviera	868	391	816	2,462	1,410	2,462
Cadillac Total	7,954	6,492	7,739	21,820	19,233	21,820
Cimarron	548	408	452	1,632	1,494	1,632
Allante	60	0	44	132	0	132
Brougham (rwd)	1,680	1,449	1,651	4,998	2,853	4,998
DeVille (fwd)	4,000	4,042	3,832	10,359	12,272	10,359
Eldorado	409	364	559	1,454	1,532	1,454
Seville	1,257	229	1,201	3,245	1,082	3,245
Chevrolet Total	28,084	33,610	22,947	71,825	116,976	71,825
Chevette	0	2,423	0	0	9,446	0
Camaro	3,095	5,030	0	3,095	16,741	3,095
Cavalier	5,082	9,578	8,107	20,637	32,398	20,637
Celebrity	7,893	5,461	8,716	24,902	20,127	24,902
Corsica/Beretta	4,446	0	4,053	11,429	0	11,429
Monte Carlo	1,840	2,688	0	1,840	9,231	1,840
Chevrolet	5,088	8,430	1,421	7,986	29,033	7,986
Corvette	640	0	650	1,936	0	1,936
Oldsmobile Total	16,379	24,001	15,828	43,876	80,629	43,876
Firenza	1,197	996	1,279	2,476	3,451	2,476
Calais	2,575	3,277	2,782	7,736	10,399	7,736
Cutlass Ciera	4,139	6,435	4,227	12,641	24,234	12,641
Cutlass Supreme	336	4,847	0	336	15,225	336
88 (fwd)	5,192	4,357	4,690	12,583	13,775	12,583
88 (rwd)	452	487	468	1,373	2,419	1,373
Olds 98	1,867	3,335	1,789	4,966	10,118	4,966
Toronado	621	267	593	1,765	1,008	1,765
Pontiac Total	13,886	17,901	12,910	39,961	55,374	39,961
Acadian*	0	226	0	0	535	0
Fiero	650	2,334	0	650	2,400	650
1000	0	654	0	0	2,040	0
Firebird	2,355	2,630	0	2,355	8,941	2,355
2000 Sunbird	0	2,859	2,837	5,676	9,954	5,676
Grand Am	5,210	4,396	5,038	15,373	14,747	15,373
6000	1,935	2,855	1,887	5,732	8,987	5,732
Bonneville	3,400	0	3,148	9,859	0	9,859
Safari/Parisienne	336	1,947	0	336	7,770	336
HONDA	7,315	3,844	7,315	21,469	12,544	21,469
Civic	4,270	0	4,336	11,087	0	11,087
Accord	3,045	3,844	2,979	10,382	12,544	10,382
NISSAN	2,930	1,787	2,930	8,787	7,187	8,787
NUMMI	4,200	1,900	4,202	12,332	6,100	12,332
Corolla	1,100	0	829	2,848	0	2,848
Nova	3,100	1,900	3,373	9,484	6,100	9,484
VOLKSWAGEN	2,000	1,896	1,961	3,961	7,653	3,961
Golf/GTI	1,750	1,896	1,731	3,481	7,653	3,481
Jetta	250	0	250	500	0	500
Total Cars, U.S.	165,586	177,528	163,295	469,448	583,071	469,448
Total Cars, Canada	21,224	20,937	16,902	54,941	66,448	54,941
N. American Cars	186,810	198,465	180,197	524,389	649,519	524,389
N. American Trucks	93,542	89,816	94,573	278,351	301,466	278,351
North American Cars and Trucks	280,352	288,281	274,770	802,740	950,985	802,740

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

AMC, UAW meet in bid to save Kenosha

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

American Motors officials met with union representatives from its Wisconsin plants last week in a last-minute attempt to negotiate changes in its labor contract and save its $250 million renovation and new-product plan for the Kenosha plant.

AMC must finalize a new union contract and necessary state funding before Jan. 30 to meet a Chrysler Motors deadline for transferring production of Omni and Horizon to Kenosha. On Jan. 17, members of UAW Local 72 in Wisconsin turned down AMC's request to reopen the 1985 contract.

Company representatives, including President Joseph Cappy, outlined AMC's plan for Kenosha last week. They met with leaders from Local 72, which represents 2,900 workers at Kenosha, and Local 75, which represents 350 workers at AMC's stamping and engine plant in Milwaukee. UAW regional and international officials also took part in the talks.

An AMC spokesman said the company is requesting changes in both the economic and work-rules sections of the 1985 contract in order to bring a new Jeep model and the Chrysler subcompacts to Kenosha. A new contract would cover only production of the new Jeep. Lower labor costs would enable AMC to take on the Chrysler work.

AMC last week also was waiting for approval of $200 million in loan guarantees by the Wisconsin Legislature to fund the Kenosha renovation plan.

Cappy met with Wisconsin Gov. Tommy Thompson and 25 state legislators last Wednesday (Jan. 21) to present AMC's plans for the plant.

A spokesman for the governor's office said legislative leaders are hoping to draw up a proposal that could be voted on by the legislature this week.

A spokesman for the governor said Thompson was "very optimistic" that the loan guarantee would be approved.

Chrysler Motors has said it would like to build 150,000 to 200,000 of the subcompacts annually for five years in AMC's Kenosha plant beginning this fall.

AMC already has a 2½-year contract to build Chrysler full-sized rear-wheel-drive M-body cars in Kenosha beginning in late February. AMC has said if the renovation is not approved, the Kenosha plant will close in 1989 when AMC phases out the Alliance and finishes the M-body contract.

Corrections

A story in the Jan. 12, 1987, issue of Automotive News erred in stating where 2.3-liter four-cylinder turbocharged engines for the 1986 model Ford Thunderbird were assembled. Those engines were produced at Ford's facility in Taubate, Brazil.

A story on Ford's Casting Division in the Dec. 29, 1986, issue incorrectly stated that Ford bought 40 percent of Intermet. Ford has a 40-percent interest in a joint venture with Intermet in New River Castings Co., Radford, Va.

Automotive News

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Fiat earns $1.5 billion, top European automaker

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Fiat Group amassed earnings of more than $1.5 billion last year, making it Europe's most profitable auto manufacturer.

The Italian company said 1987 financial results "will be at least in line with 1986." Cars and commercial vehicles account for approximately 75 percent of sales.

In his annual letter to shareholders last week, Fiat Group Chairman Giovanni Agnelli said the company has "reached an income level that puts us in a position of strength vis-a-vis the challenges we have set for ourselves and the inevitable cyclical scenarios that lie in store for us."

Fiat said it will report gross profit of more than 2 trillion lira ($1.57 billion at current rates) for 1986, up more than 50 percent from 1.326 trillion lira in 1985.

The group has not released its final net results, but it reported that operating profits climbed 12.5 percent to 2.550 trillion lira ($2 billion) even though group sales rose only 7 percent to 29.02 trillion lira ($22.8 billion).

Agnelli said 1986 sales should be viewed in light of a 22 percent drop in the value of the dollar in 1986, reduced inflation, less purchasing power among petroleum-exporting countries and decreased demand in the agricultural sector.

But he also cited strong European sales in several markets, notably the automobile sector.

"Achieving profits of over 2 trillion lira and reducing group indebtedness to around 1 trillion in spite of acquisitions and investments demonstrates Fiat's managerial and operational capacity that has developed over the last few years," Agnelli said.

Elsewhere in Europe, analysts expect the 1986 results that will be reported by the big German groups to be more adversely affected by the fading dollar. Volkswagen Group is expected to report the equivalent of about $300 million in net profits, and Daimler-Benz is expected to report that its 1986 profits matched its 1985 profits of 1.68 billion German marks ($933 million). Ford of Europe is expected to report net profits in the $650 million range.

By almost any standard, 1986 was a good year for Fiat. In addition to continuing a string of big profit gains since recovering from a late-1970s slump, Fiat:

- Bought Alfa Romeo, the Italian auto manufacturer.
- Formed a joint commercial vehicle venture between Iveco and Ford of Europe.
- Purchased a majority shareholding in Matra, the French automotive components manufacturer.
- Acquired a minority stake in Westland helicopters.
- Engaged in several other smaller manufacturing agreements and joint ventures.

In Europe, Fiat boosted share of the new-car market to 12.5 percent from 12.3 percent in 1985, according to industry estimates compiled by Automotive News.

Its car sales in western Europe jumped 11.8 percent to 1,458,300 — the biggest increase of any European company. Fiat is second to the Volkswagen Group in sales in western Europe.

Fiat said its auto production in Italy grew 20 percent to 1,526,000 units.

Fiat even succeeded in buying back for $3 billion the 15 percent of its stock held by Libya.

That move led to the only real blemish on Fiat's 1986 record. The subsequent unloading of $2.1 billion of Fiat S.p.A. stock on the international equity market led to huge losses for underwriters and a temporary decline in Fiat's stock price.

"We can say with great satisfaction that our shares are now present in many areas and markets and are held by every type of investor," Agnelli said.

Though financial results for individual group sectors were not released, Fiat Auto sales rose 13.8 percent to 16.4 trillion lira ($12.9 billion). The company held 54.3 percent of the Italian new-car market, up from 52.3 percent the year before.

Commercial-vehicle sales increased marginally to 5.450 trillion lira ($4.28 billion) from 5.394 trillion lira. Iveco unit sales fell 4.5 percent to 94,657, but the figure does not reflect sales by Iveco Ford Truck Ltd., which will be consolidated beginning this year.

Sales in Fiat's component business improved 11 percent to 3.679 trillion lira ($2.89 billion).

Overall group investment jumped 94 percent to 2.780 trillion lira ($2.18 billion), including 1.1 trillion ($865 million) for acquisition of Alfa Romeo fixtures and plants as part of the takeover of the Italian company.

Meanwhile, net indebtedness dropped 55 percent to 1.050 trillion lira ($825 million). Research and development expenses totaled 920 billion lira ($723 million), up from 820 billion lira in 1985.

Group employment rose from 226,222 in 1985 to 228,450, while the number of workers on layoff was reduced from 8,670 to 2,670.

Porsche revives study of model under $20,000

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

STUTTGART, West Germany — Porsche AG has an entry-level 984 sports-car study underway, but plans for the sub-$20,000 model have not been approved, according to Chairman Peter Schutz.

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The mid-engined, two-seater program, previously dubbed 919/921, reportedly has been under serious debate recently at corporate headquarters here.

"We do continually dream and plot and plan to come up with a sports-car concept that would be more affordable," said Schutz. "That's a tough one, but we'll keep trying."

According to Schutz, the 984 "is a study of that type, but it is not really a project. I wish it were."

But he said no final decision has been made on the 984.

"Right now we don't see any way by conventional means to build a car like that for under $20,000 without getting into quantities that go beyond the Porsche concept," he said. "We're not going to build a Mazda or something, because you already have those things."

Porsche was reported to have abandoned the 984 project early in 1986, but the project was revived last summer.

The company is said to be considering a Volkswagen-assembled car powered by either a modified 16-valve version of the Porsche-designed four-cylinder 1.5-liter Seat engine, or a 1.8-liter-to-2.2-liter air-cooled four-cylinder powerplant put together from existing Porsche components.

Speculation has centered on production of the 984 at Volkswagen's plant in Hannover, West Germany, after the VW Type 2 is phased out in about three years.

But the current weak dollar against the German mark is proving a detriment to the program. Besides lowering margins on a relatively low-priced car, the currency rate is depressing corporate profits and reducing the development funds available for an all-new vehicle.

Fresh look for Volvo 480
The small design team of Volvo Car BV in the Netherlands has produced this cabriolet version of the new 480 coupe. The car was due to be displayed at the Amsterdam auto show which opens Thursday, but the company withdrew the entry because of what it called "other priorities." There are no known production plans so far. The 2 + 2 cabriolet features a roll bar and a high rear deck into which the soft top can be folded. The coupe version of the front-drive 480 makes its U.S. debut this spring.

Luxury shakeout seen

Europeans may be too bullish on U.S.

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — A major shakeout may be on the horizon for European automakers seeking a niche in the American luxury-car market.

Despite ambitious end-of-decade sales targets set by several manufacturers, many industry observers say U.S. prestige segments cannot absorb all the Europeans.

"Not everyone can pile in and continue to make money," said John Wormald, an industry analyst at Booz, Allen & Hamilton's London office.

"They've done exceedingly well, but all good things must come to an end," added Peter Dupont of Phillips and Drew, a London brokerage house. "There's not room for everybody."

French, British and Italian carmakers are hoping to emulate the success of German and Swedish companies in satisfying American demand for exclusive European marques.

But the U.S. luxury/executive class market would have to grow even beyond the most optimistic projections if Austin Rover, Alfa Romeo-Lancia, Peugeot, Renault, Ford of Germany's Merkur and, perhaps, Adam Opel and Citroen, were to realize sales goals for the early 1990s.

At the same time, four established U.S. luxury importers, Mercedes-Benz, BMW, Volvo and Saab, are adding production capacity. Along with Audi, Jaguar and Porsche, they are counting on at least moderate U.S. growth in the next three-to-four year period.

Meanwhile, the same market is being targeted by U.S automakers and the Japanese. The Japanese are being forced into more profitable segments because of low-cost competition from Korea, Taiwan, Brazil and Mexico; new pressure to further reduce United States shipments; the strong yen, which makes competitive pricing for Japanese mass market cars more difficult.

According to J.D. Power and Associates, luxury-car sales in the United States have nearly doubled since 1980 to 1.2 million. Sales are expected to grow to almost 1.5 million in 1990.

If European companies maintain their current share of about 43 percent, it would put their volume at 645,000 by the end of the decade. That number presupposes the Europeans can hold their own in

see SHAKEOUT, page 216

GM halts CVT work as others move ahead

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — General Motors has suspended development of its continuously variable transmission system and may have given up on CVT altogether.

The decision to "defer" development coincides with Fuji's introduction of a CVT option on the Subaru Justy in Japan and Ford's recent announcement of plans to begin offering its own version in Europe this summer.

A Ford spokesman said that a CVT option for the United States market "is in the discussion stage."

After spending a reported $180 million to prepare for CVT production at its Strasbourg, France, plant, GM said the system's precision parts — a pulley and steel belt — have proven unsatisfactory.

The company said last week it is "still interested in CVT, but the development program was deferred due to the non-availability of an acceptable belt and pulley. Obviously, when a belt and pulley is determined to be acceptable GM will proceed with the development of CVT."

But a GM-Europe source last week indicated that the automaker is more interested in seeing how Ford, Fiat and Subaru fare in the marketplace with CVT systems before it revives its own program.

"Even if CVT development were continued, Opel and GM in Europe would have to decide if it is something they want to have in their cars," he said. "We want to see if there is a market for it."

GM has been involved in development with CVT specialist van Doorne Transmissie, of the Netherlands, since the 1970s. Van Doorne, which also helped develop the Ford, Fiat and Subaru systems, is 49 percent owned by MIP, a holding company controlled by the Dutch government.

Some GM engineers, particularly those at Opel, have never masked their lack of enthusiasm for the van Doorne CVT, which was scheduled for introduction in 1985 but never reached the marketplace.

The system reportedly involves sophisticated electronic controls for gearboxes mated to 1.6-liter to 2-liter engines, compared with mechanical controls for gearboxes for 1-liter to 1.6-liter engines developed by Van Doorne, Fiat and Ford. Subaru's electronically controlled unit, known as ECVT, is suitable for torque from engines up to 1 liter.

But GM-Europe said its parent firm's Hydramatic Division, which is responsible for transmissions, remains dissatisfied with the level of torque the belt can handle.

"They leaned back on the program a while ago because of the pulley problem," said the GM-Europe insider. "I don't know if they are going to push it again." There have been reports that Adam Opel, GM's engineering base in Europe, is developing a more conventional automatic transmission.

But even as GM's CVT program appeared to bite the dust last week, Ford of Europe announced that it will offer its own system as an option on 1.1-liter Fiesta models this summer. The gearbox is rated for engines up to 1.6 liter and may be fitted on certain Escort models later.

Ford's system, dubbed Continuously-Variable Transaxle (CTX), operates without conventional gear wheels and torque converter.

The appeal of the CVT is that it provides the fuel economy of a manual transmission without acceleration jerks and with little performance loss compared with a manual gearbox.

Though several of the major components of CTX (castings and differentials) are manufactured by Ford, the system will initially be produced in low volume on a subcontract basis by Volvo Car BV, of the Netherlands, for van Doorne. The transmissions will be supplied to Ford and Fiat for installation in vehicles.

Ford will later transfer production to its own plant in Bordeaux, France, where Ford has invested $120 million in CTX tooling and plans to build "sufficient volume to meet Ford's European needs, including fitment to higher-powered models, as well as those of Fiat and other vehicle manufacturers."

CTX output is expected to total 10,000-20,000 in 1987.

Chrysler tag for LeBaron is $11,295

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

POINT CLEAR, Ala. — The 1987 Chrysler LeBaron coupe, designed to help Chrysler Motors carve out a niche in an upscale, luxury market, will carry a base retail price of $11,295.

The car is being shipped to dealerships and is expected to be available nationally in February.

"In addition to being a nice high-margin car for us, the new LeBaron is going to be a great image booster," said Chrysler Motors President Harold K. Sperlich at a press preview of the Chrysler LeBaron and Dodge Daytona here.

"It will typify and help lead the upscale/luxury image we are trying to carve out for our Chrysler brand," Sperlich said of the LeBaron.

Retail prices of Dodge Daytona models were also announced during the preview. The Dodge Daytona has a base retail price of $9,799; the Daytona Shelby Z carries a base sticker of $12,749, and the Daytona Pacifica will be offered at a base price of $13,912.

"LeBaron will be jockeying for position in the mid-specialty coupe race with entries like Olds Cutlass Supreme, Ford Thunderbird and Toyota Celica," Sperlich said. "The field may be crowded, but we think LeBaron's got the legs to make a very strong showing."

LeBaron coupe: "A great image booster"

Sperlich said LeBaron will gain sales strength because it is the only front-wheel-drive car in the mid-specialty coupe segment.

LeBaron's $11,295 base sticker compares with $11,539 for the Cutlass Supreme, $13,028 for the Thunderbird and $10,598 for the Celica.

Chrysler Motors has not announced the price of the LeBaron convertible, which will be introduced in the spring.

The LeBaron and Daytona will be assembled at Chrysler's St. Louis No. 1 plant in Fenton, Mo.

Bernard I. Robertson, Dodge general product manager, said Chrysler expects the models to be "volume-limited" in the 1987 model year.

"We didn't start production until November and we've been on a typical new-model acceleration curve through Christmas," Robertson said.

Plant capacity is 240,000 units annually.

"Broadly speaking, the LeBaron will outnumber the Daytona two-to-one," Robertson said of the production schedule.

Thomas C. Gale, Chrysler Motors vice president — product design, said the LeBaron convertible will be the only mid-specialty convertible designed and built from scratch as a convertible.

"We did at first look at cutting the top off the LeBaron coupe," Gale said. "However, the resulting detail execution wasn't good enough if we were going to be serious about maintaining convertible leadership."

DODGE: *Shelby assigned a more important role in building division's performance image*

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

POINT CLEAR, Ala. — Dodge will bolster its performance image in the marketplace by increasing the use of Carroll Shelby's name on future production vehicles.

The move is part of Chrysler Motors' thrust to set up individual identities for the Dodge, Plymouth and Chrysler brands. The company links Dodge with performance, Plymouth with value and Chrysler with luxury.

For 1987, Dodge has positioned the Shelby Z Daytona and the Daytona Pacifica as the lead image vehicles for its entire lineup.

Bernard I. Robertson, Dodge general product manager, said Chrysler Motors' relationship with Shelby will expand.

"Any time we have the opportunity to do a car which provides a lot of performance at an affordable price and has the feel of the kinds of cars Carroll Shelby likes to drive, we're going to put his name on them," Robertson said. "That's why we've brought the name back on the Shelby Z Daytona."

Shelby is a consultant to Chrysler Motors and is also head of Shelby Automobiles, an independent company that produces low-volume performance versions of Dodge vehicles and sells them through a chain of 91 Shelby dealers dualed with Dodge franchises.

"We work closely with Carroll to achieve maximum synergy between the cars we're building in production and the cars he's modifying on the West Coast," Robertson said. "Our goal is to make available to Carroll hardware which we are either working on or contemplating putting on our production vehicles.

"He can put that kind of hardware out on the street in low volume and basically get a feel for the impact it has on the marketplace," Robertson said.

Chrysler is currently working with Shelby, as well as others, to develop four-wheel-drive vehicles, but has no production plans, Robertson said.

Shelby is also involved in Chrysler's exploration of a 16-valve engine, as are Maserati and Lotus.

"We're trying to decide what best fits our various images and what best fits the customer's needs," Robertson said. "There is a lot of cost and complexity in 16 valves."

Robertson also said Dodge's first application of an anti-lock braking system will be offered in the 1988 model year.

Incentive wars: Ford, Chrysler up the ante

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. and Chrysler Motors Corp. followed General Motors' lead last week by increasing the retail incentive ante.

Ford, which had the weekend to study the GM double whammy of a 6/60 warranty plus cash rebates and optional-equipment discounts on selected models, responded on Monday by matching GM's warranty.

Ford also announced a new schedule of annual-percentage-rate finance incentives plus option-package rebates.

Chrysler, which had initiated its own program prior to the GM announcements, sweetened the pot to make its incentives more competitive.

The Ford program, which requires dealer participation, became effective Jan. 23 and runs until March 23 for trucks and until March 31 for cars.

It provides for 3.9 APR financing for up to 24 months, 5.9 APR for up to 36 months, 6.9 APR for up to 48 months and 9.9 APR financing on contracts up to 60 months.

Dealer-stock vehicles covered by the APR incentives include 1986 and 1987 Escort, Tempo, Mustang, Ranger, Bronco II, Lynx and Topaz models, plus 1986 Merkur XR4Ti models.

In addition, Ford offered a $600 rebate on covered cars with a manual transmission and a $300 rebate on cars with an automatic transmissions.

On compact trucks, buyers can choose low-APR financing or a $500 rebate on Ranger and a $600 rebate on Bronco II.

The Chrysler program began Jan. 27 and has no expiration date. It offers 3.7 APR financing for 24 months, 5.9 APR for 36 months, 6.9 APR for 48 months and 9.9 APR for 60 months.

Alternative cash rebates are $500 on 1986 and 1987 Charger/Tourismo, Dodge 600/LeBaron sedans, Lancer/LeBaron GTS, Caravelle, standard Dodge pickups, Dodge Ram 50 and Power Ram 50 mini-pickups and the Dodge Dakota pickup.

Some imported Colt models are eligible for either the APR financing or a $300 rebate.

Carryover 1986 Daytona/Laser models are eligible for APR or a $750 rebate. Chrysler is offering a financing/$1,000-rebate option on 1986 and 1987 Lancer ES and LeBaron GTS premium models and on Chrysler New Yorker and Dodge Ramcharger.

Aries and Reliant 1986 and 1987 models carry low financing plus a $600 rebate or a $900 rebate without APR financing.

Long warranty seen trimming dealer profits

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

General Motors and Ford Motor Co. officials say their extended warranties will spur new-car sales in the long term, but there is some concern in the industry that the programs may reduce profits in other departments of auto dealerships.

Among them are the sale of service contracts and rustproofing and profits on general service work.

The 6-year/60,000-mile warranties are new for GM and Ford.

News Analysis

Chrysler Motors has had a 5/50 warranty since 1983, but Chrysler service officials were reluctant to discuss past experience.

GM increased its domestic new-car warranty two weeks ago, and Ford matched GM last week. Both companies now have a 6-year/60,000-mile warranty on the powertrain and a 6-year/100,000-mile warranty against corrosion damage.

Although there are some differences in the two warranties — Ford's imported models are included and the company offers longer coverage for luxury cars on certain major vehicle components — both policies are essentially the same.

Until last month, Chrysler had been the most aggressive warranty marketer in the industry with its 5/50.

As a result of the GM and Ford action, Chrysler has had to adjust ads and commercials which claimed its powertrain coverage is the best in the industry.

At a new-car preview in Alabama last week, Harold K. Sperlich, Chrysler Motors president,

see WARRANTY, page 248

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61st year—No. 5165

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Ford of Europe to design Tempo/Topaz replacement

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Development of the next-generation Tempo/Topaz has been assigned to Ford of Europe's design and engineering staff, according to company sources.

The new car will share a platform with the successor to the European Ford Sierra compact. Both models debuted in 1982 and are due to be replaced in the early 1990s.

Ford is turning to Europe for the next Tempo under a "global" car strategy that is an update of the company's "world car" ambitions of the 1970s.

The new global concept allows for regional marketing capability by tailoring vehicle packages for specific world markets. A European car, for example, would retain handling and suspension refinements targeted at local buyers.

But the concept relies on common platforms and interchangeable parts sourced throughout the world. Such projects are seen as a way to reduce product design and development costs and are believed to be a cornerstone of Ford's clean-sheet Alpha program for reducing manufacturing costs.

Production plans for the compact car have not been settled. But Ford's global framework calls for body and assembly operations on the continent in which they are sold.

International platforms are seen as the first step in the development of a fully global engineering-manufacturing-purchasing organization previewed for the mid-1990s.

Both Tempo and Sierra are at roughly the mid-point for their product lives. In Europe, the Sierra has just been re-skinned and the Tempo will get a facelift in North America for the 1988 model year.

Philip E. Benton, executive vice president — International Automotive Operations, told Automotive News several months ago that Europe will be involved in Ford's global car development plans. He said Ford of Europe's engineers most likely will do the next Tempo, since "that size has been so important to them" and "the Sierra has been their lifeblood."

Ford reportedly was set to involve Alfa Romeo in its Sierra replacement program before Fiat won control of the Italian automaker last fall with a competing bid.

Under Ford's scheme for Alfa Romeo, the program would have produced a version of an early 1990s Sierra successor at Alfa Romeo's plant in Pomigliano, Italy. The car would have been built with 80 percent "global" content and 20 percent Alfa componentry and styling geared for the European market.

According to various reports, Ford's Japanese partner, Mazda, has been given design and development responsibility for the company's Escort successor, though it is unclear what role Ford of Europe will play in the worldwide Escort program.

Ford has confirmed that its European staff, rather than Mazda, will build the next-generation Fiesta. But according to recent reports, that car could be moved into the Escort class in Europe, while the next B-car here comes off the Mazda-designed Festiva minicar platform.

Diesel-car sales plunge 56%; '86 total is 40,585

SALES OF DIESEL-POWERED NEW CARS IN THE U.S.

	1986 Sales	Percent Share of Diesel Market	1985 Sales	Percent Share of Diesel Market	1984 Sales	Percent Share of Diesel Market	1983 Sales	Percent Share of Diesel Market	1982 Sales	Percent Share of Diesel Market	1981 Sales	Percent Share of Diesel Market
Buick	0	—	666	0.74	3,379	2.17	11,121	6.32	30,417	9.71	48,627	9.52
Cadillac	0	—	1,279	1.37	1,560	1.00	3,984	2.27	16,939	5.40	40,241	7.88
Chevrolet	0	—	1,857*	1.99	11,452*	7.36	4,877	2.77	27,549	8.79	27,600	5.40
Oldsmobile	0	—	N.A.	—	15,106	9.71	33,174	18.86	75,482	24.08	155,859	30.52
Pontiac	0	—	0	—	874	0.56	2,288	1.30	6,312	2.01	32,633	6.39
GM	0	—	3,824	4.10	32,371	20.80	55,444	31.52	156,699	49.99	304,960	59.71
Ford Motor Co.	7,000*	17.24	15,199*	16.28	35,352*	22.72	3,100	1.76	—	—	—	—
VW	14,630	36.05	28,548	30.58	22,468	14.44	29,844	16.97	59,887	19.11	118,585	23.22
Audi	0	—	0	—	13	0.01	6,144	3.49	7,415	2.37	6,434	1.26
VWoA	14,630	36.05	28,548	30.58	22,481	14.45	35,988	20.46	67,302	21.48	125,019	24.48
Mercedes-Benz	14,329	35.30	33,077	35.44	38,887	24.99	54,044	30.73	52,051	16.61	49,354	9.67
Peugeot	1,609	3.97	2,053	2.20	4,104	2.64	5,454	3.10	9,637	3.07	14,341	2.81
Volvo	2,150	5.30	9,065	9.71	9,074	5.83	7,436	4.23	7,405	2.37	1,954	0.38
Nissan	0	—	0	—	4,063	2.61	5,894	3.35	8,836	2.82	4,683	0.92
Toyota	867	2.14	1,524	1.63	8,348	5.37	2,220	1.26	—	—	—	—
Isuzu	0	—	55	0.06	915	0.59	6,317	3.59	11,477	3.66	10,368	2.03
Diesel Total	40,585	100.0	93,345	100.00	155,595	100.00	175,897	100.00	313,407	100.00	510,679	100.00
Total U.S. new-car sales	11,454,468	—	11,043,768	—	10,393,230	—	9,181,036	—	7,978,177	—	8,532,672	—
Diesel percent of total U.S. car sales	0.35	—	0.85	—	1.50	—	1.92	—	3.93	—	5.98	—

*Production for model year.

By Scott Miner
AUTOMOTIVE NEWS STAFF REPORTER

Sales of diesel-powered cars continued to decline in 1986, dropping 56.52 percent from the 1985 figure.

Last year's total was 40,585, compared with 93,345 in 1985.

Demand for automotive diesels has plummeted since reaching a high point of 510,670 in 1981. Sales have decreased each year since then.

In 1983, there were nine automakers with 15 car divisions selling diesel-powered cars. In 1986, only six automakers with seven divisions sold diesel cars.

General Motors dropped out of the diesel-car market for 1986. In 1981, it had nearly 60 percent of the market with 304,960 diesel sales. Its sales dropped steadily through 1985 when it sold 3,824 units, representing only 4.10 percent of the market.

The marketers of diesel-powered cars are Ford Motor Co., Volkswagen of America, Mercedes-Benz of North America, Peugeot Motors of America, Volvo of America Corp. and Toyota Motor Sales U.S.A.

Spokespersons for the diesel-carmakers attributed most of the sales decline to the fact that the price of gasoline has declined while the price of diesel fuel has stayed at a comparably high level.

Volkswagen took 36.05 percent of the 1986 diesel market, selling 14,630 units. That was 48.72 percent below its 1985 total of 28,548 units.

VW's heyday for diesel sales came in 1981 when it sold 125,019.

Mercedes-Benz was a close second to VW last year, with 14,329 sales or 35.30 percent of the market. Its diesel sales fell 56.67 percent from the 33,077 sold in 1985.

In 1983, Mercedes sold 54,044 diesel units — its record.

Ford was third in diesel volume in 1986, with 7,000 units and 17.24 percent of the market. Its sales dropped 53.94 percent from 1985's 15,199 units.

Ford reached its diesel sales high in 1984 when it sold 35,352 such cars and captured 22.72 percent of the market.

A spokesman said Ford's diesel sales last year were rounded. He said the company does not actively monitor diesel sales because they are so low.

Volvo sold 2,150 diesels last year, for 5.30 percent of the market. That was down 76.27 percent from 9,065 in 1985.

Peugeot sold 1,609 diesel cars in 1986, for 3.97 percent of the market. Its sales were down 21.63 percent from the 2,053 sold in 1985.

Toyota sold only 867 diesels last year, for 2.14 percent of the market. Toyota has sold diesel autos only since 1983. Toyota reached its high mark in 1984 when it sold 8,348 units.

Japan's Hino buys parts from Taiwan

TOKYO — Hino Motors Ltd. will import about $310,000 worth of parts from Taiwan in fiscal 1986, which ends in March.

The Taiwanese suppliers are said to be Goshen Industries Inc., Tsuang Hine Corp. and Tatung Die Casting Co., and the parts include aluminum die casting brackets, leather seats and seat frames to be used in buses.

Hino, which is associated with Toyota Motor Corp., is expected to increase parts imports to $1.9 million by 1989. Hino produces about 70,000 trucks and 6,000 buses annually.

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SHAKEOUT

FROM PAGE 2

the face of domestic and Japanese competition, a depressed dollar not expected to soon recover against European currencies, possible trade restrictions, and new concerns about quality.

Meanwhile, a conservative count of various sales objectives puts the combined target for the Europeans in the U.S. luxury market at nearly 900,000 by 1990.

Carleric Haggstrom, executive vice president in charge of long-range marketing planning at Volvo Car Corp., predicts 3-5 percent annual growth for the over $15,000 class in the United States, even if the overall market stays at about 11 million. But not all growth will be demand-driven, he said. Some will result from more aggressive marketing spurred by oversupply in the segment.

"If you add the ambitious plans of all the manufacturers, 3-5 percent growth annually isn't enough," said Haggstrom. "The segment size isn't big enough so the competition will be more fierce. We will have to face the facts. I don't think all the goals can be realized."

Gunter Kramer, BMW's board member responsible for worldwide sales, acknowledged that there will be greater competition. But he added, "We're happy to have Sterling in. Hopefully, Lancia will get a chance, too."

He said, "It will be very tough, but we must leave the decisions to consumers. We certainly face an over-capacity in the world market place."

The major European luxury-class exporters — Mercedes, BMW, Audi, Volvo, Saab, Porsche and Jaguar — sold 471,476 cars in the United States last year, compared with 437,873 in 1985. The same seven companies sold 217,420 in 1980.

Lincoln-Mercury's Merkur franchise, Peugeot and Alfa Romeo combined for sales of another 36,-852 cars last year.

Though most industry analysts expect U.S. luxury-car segments to grow faster than the overall market, some feel the upper limits are at hand.

"I tend to think the (European) imports have peaked, or very close to it," said Dupont. "Everyone looks at the U.S. as the big cash cow, but something has to give. It is just not possible for everyone to come along and sell 100,000 cars a year at $20,000 apiece."

The consensus, however, is that the segment will continue to grow.

"It would take something like a Wall Street crisis to prevent it," said Daniel Jones, an auto industry specialist at Britain's University of Sussex.

Porsche AG chairman Peter Schutz cited demographic data showing that the population of entreprenurial types who comprise Porsche's customer base will grow 25 percent to 40 percent over the next five to six years.

"If that's true, then the basic market for our type of product is growing," he said.

"It is less clear to me that there will be a shakeout in the (luxury) market itself," added Wormald. "I'm not sure demand will abate and I'm not sure there will be a terribly effective counterattack from the U.S., and the Japanese threat is more long-term."

But even a robust appetite for European nameplates is unlikely to gobble up everything Europeans will have to sell in 1990.

A fall in value of 40 percent by the dollar against the German mark since January, 1985, has reduced the Germans' competitiveness.

"I think the Germans will flatten out a bit," said Jones, who estimates that Mercedes and BMW will each add about 10,000 in U.S. sales between now and the end of the decade.

Dupont is less optimistic about the Germans.

"If they can hold on to the volume they have now they would be doing well," he said.

Mercedes sold 99,314 cars in the United States last year; BMW, 96,-759. The two companies have a combined increase of 116 percent in the United States since 1980.

A Mercedes spokeswoman in Stuttgart said only that the company plans to "slightly increase" U.S. sales in the coming years, but she declined to cite an official target for 1990.

Audi America sales fell 20 percent last year, but Audi hopes it will rebound quickly with the new Audi 4000 set for a U.S. debut.

Porsche sold 30,471 in the United States in 1986, up from 25,-173 in 1985, and nearly a three-fold increase since 1980.

Schutz said Porsche's U.S. sales will rise to 34,000-35,000 "over the next few years." While he thinks there is room in the marketplace for Porsche to go even higher, Schutz said it will not happen without new products or technological developments.

The weak dollar may stall a GM program to market Opels through Cadillac dealerships, and could also play havoc with Ford's plans to sell 100,000 Merkur- and Scorpio-badged models from Germany by the end of the decade.

A Ford of Europe source conceded recently that the original 100,000 end-of-decade Merkur/Scorpiosales objective has probably been lowered.

Prospects for Sweden's Volvo and Saab seem brighter. Saab, with U.S. sales of 47,414 last year, expects to be selling at least 60,000 by the end of the decade.

Volvo, the leading upscale importer in the United States with sales of 113,257 last year, could rise to 140,000 by 1990, said Jones. Volvo will begin selling its Dutch-built 480 coupe in the United States late this year, extending market coverage to the low end of the prestige range.

Haggstrom said Volvo expects to continue to increase its U.S. market by 7 percent to 8 percent annually, putting U.S. sales at about 150,000 in 1990.

Jaguar expects to be selling at least 30,000 cars in the United States annually by 1990, based on plans to be producing more than 60,000 annually at that time.

But European automakers expecting to repeat the sharp growth created by the yuppie uprising of the early 1980s could be in trouble.

Peugeot, now selling fewer than 15,000 cars in the United States, is aiming at 40,000-60,000 by the end of the decade. Austin Rover's U.S. distributor says it could go from zero to 80,000-90,000 by 1990.

Renault will try to penetrate the lower part of upscale market with the Renault 21 (Medallion in the United States). It hopes to sell 50,-000 this year in the United States. Alfa Romeo, teamed now with Lancia under the Fiat Auto umbrella, would go from 8,201 cars last year to 55,000-60,000 by 1991. Merkur would rise from 14,315, possibly to 100,000.

Should Citroen enter the U.S. market with its next-generation CX, and Opel with its replacement for the Senator due this spring, competition will become even more fierce and European exclusivity will be threatened.

As it is, the U.S luxury sector is far from a readymade market for European nameplates. Lincoln-Mercury's troubles with Merkur suggests that a German heritage alone does not guarantee success. Peugeot has languished for lack of a status symbol image in the United States. And Audi's lapse in 1986 shows the sensitivity of buyers in the segment to perceived quality blemishes.

A European shakeout could be decided on quality issues, according to Jones. Even the Germans will have to pay attention. Daimler-Benz has of late had disquieting publicity in European car buff books about quality, a problem analysts pin on rapid increases in volume.

"The Germans have the price elasticity to survive the currency exchange," said Jones. "But what might hurt is a decline in quality. We're hearing quite a bit about problems at Daimler, BMW and Audi and it is probably a bit of complacency. They can't afford to let quality slip."

Industry observers believe reputations for high quality are crucial to the success of Austin Rover, Alfa-Lancia, Peugeot and Renault. Though improving, the production quality of British, French and Italian cars is said to lag behind that of the Germans.

Jaguar's revival in the United States has been founded not only on quality improvements, but on a strong dealer-distributor support network that boosts customer satisfaction scores. The Rover Sterling will need the same kind of support system to succeed in the United States, say analysts.

"Jaguar has done a good job with its distributors and that is an interesting lesson for Austin Rover," said Jones. "The Rover Sterling is a good car, but a very complex one. The car is going to have quality problems and they know it."

Jones said he would be surprised if Rover can achieve 1990 sales of 80,000-90,000, but predicted "something much more modest — 40,000 if they're lucky."

Renault's prospects as a high-volume exporter to the United States depend on maintaining its partnership with American Motors, an issue expected to be decided early in new chairman Raymond Levy's tenure.

Without AMC's dealer network, Jones said Renault has little hope of developing into a major exporter. He also termed Peugeot's goal of reaching 50,000 by 1990 "overambitious."

"I don't think they will sell more than 20,000 by the end of the decade — 30,000-40,000 at the outside," he said.

Jones called Alfa-Lancia's plans to sell 55,000-60,000 annually unrealistic, pegging it at "10,000-15,-000, maybe a bit more than that." He added, "I need some evidence that they are not just the bottom of the pack on quality."

Jones predicted solid growth for Saab, though he added that 60,000 by 1990 could be a bit optimistic. Volvo, with the new 480 coupe from Volvo in the Netherlands, could increase to 140,000, he said.

New protectionist sentiment in the U.S. Congress could impact the strategies of those European makers selling over 100,000 cars annually. "I think they are actually more nervous about trade policy than they are about currency," Jones said.

"Trade restrictions could happen," added Dupont. "No doubt GM is being squeezed on one end by the Far East and at the other by the Europeans."

Dupont said he expects U.S. producers "to get more attuned to what people are looking for in that segment. My gut feeling is that the thing has topped (for the Europeans.)"

European prestige imports:

The record and the future

Manufacturer	1985	1986	1990
Alfa-Lancia	4,523*	8,201	55,000— 60,000
Audi	74,061	59,797	75,000— 90,000
Austin Rover	—	—	80,000— 90,000
BMW	87,873	96,759	110,000
Jaguar	20,528	24,464	30,000— 33,000
Mercedes-Benz	86,903	99,314	110,000
Merkur	8,974	14,315	80,000—100,000
Peugeot	15,536	14,336	40,000— 60,000
Porsche	25,173	30,471	33,000— 35,000
Renault	7,205	4,152	50,000— 70,000
Saab	39,068	47,414	60,000— 65,000
Volvo	104,267	113,257	140,000—150,000
TOTAL	474,211	512,480	693,000—973,000

The 1985-86 figures are actual sales. The 1990 figures are various independent estimates. In addition, GM's Adam Opel and Peugeot group's Citroen division may become importers during the period.
*—Includes 21 Lancia cars.

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PROFESSIONAL SERVICE EQUIPMENT

SALES

Canada '86: Truck sales up 7%, cars coast downward

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales in Canada for calendar year 1986 dropped 3.71 percent below the 1985 total, while new-truck sales rose 7.19 percent for the year.

Canadian new-car dealers delivered 773,015 cars in 1986 compared to 802,800 in 1985. New-truck sales in Canada totaled 354,441 in 1986 compared to 330,657 in 1985.

"I'd say we've had a pretty normal sales swing, where the United States has had an abnormally high sales year with sales incentives and tax incentives," said Dennis DesRosiers, a Canadian automotive analyst.

"Canadian automotive sales peaked last summer and slowed down the rest of the year. I would expect that to continue, but with no drastic drops in sales," DesRosiers said.

December new-car and new-truck sales in Canada also showed a decline. Canadian dealers delivered 42,999 cars in December, down 12.99 percent from December 1985, and 25,627 trucks, down 4.67 percent from the year-ago-month. Both Ford Motor Co. and Chrysler offered incentives on cars and trucks in December, but sales were below year-ago levels.

All domestic automakers except General Motors showed a decline in Canadian car sales for 1986. GM was up 1.19 percent.

MARKET SHARES
December 1986

Cars	
General Motors	45.82%
Ford Motor Co.	28.11%
Chrysler Motors	23.56%
American Motors	1.83%
Volvo	.68%
Trucks	
General Motors	36.39%
Ford Motor Co.	39.07%
Chrysler Motors	18.73%
Jeep	5.81%

On a percentage basis, American Motors had the biggest year-to-year drop, falling 40.45 percent. Chrysler's car sales dropped 11.26 percent.

Ford and Volvo experienced modest sales losses for 1986.

Ford domestic-car sales fell 2.33 percent in 1986. Ford Tempo was the best-selling car in Canada in 1986 with 41,854 units. Ford continued to offer incentives in Canada through December despite the expiration of many GM incentive programs in October.

Volvo sales dropped 6.21 percent, falling from 8,012 in 1985 to 7,514 in 1986. A Volvo spokeswoman attributed the dip to a shortage of cars.

On the other hand, three of Canada's four domestic truckmakers showed sales increase in 1986 over 1985. Chrysler was the only company to show a decline as its truck sales were off 1.51 percent. Chrysler dealers sold 62,737 trucks in 1986 compared to 63,702 a year earlier.

AMC had biggest percentage increase. Jeep sales rose 32.79 percent to 15,202 from 11,448 in 1985.

Both GM and Ford reported 8 percent increases. GM sold 151,876 trucks in 1986, up from 140,323 a year earlier. Ford sold 124,626, up from 115,184. The Ford F-series pickup was Canada's best-selling vehicle — car or truck — last year with 49,022 units sold.

DesRosiers said a good business climate and the popularity of compact vans boosted 1986 new-truck sales in Canada.

CANADIAN SALES

	Dec. 1986	Dec. 1985	Pct. Change	12 mos., 1986	12 mos., 1985	Pct. Change
AMC						
Cars	785	78[illegible]	+.0152	13,161	22,103	−40.45
Jeeps	1,488	1,212	+22.77	15,202	11,448	+32.79
CHRYSLER						
Cars	10,132	10,118	+.0138	161,753	182,290	−11.26
Trucks	4,801	4,708	+01.93	62,737	63,702	− 1.51
GM						
Cars	19,700	25,293	−22.11	401,787	397,076	+ 1.18
Trucks	9,326	11,850	−21.30	151,876	140,323	+8.23
FORD						
Cars	12,090	12,806	−5.59	188,800	193,319	− 2.33
Trucks	10,012	9,115	+ 9.84	124,626	115,184	+ 8.20
VOLVO						
Cars	292	422	− 30.80	7,514	8,012	− 6.21
TOTAL CAR	42,999	49,420	−12.99	773,015	802,800	− 3.71
TOTAL TRUCK	25,627	26,885	− 4.67	354,441	330,657	+ 7.19

Low Taurus supply hurt '86 Ford sales

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co., while reporting strong sales for 1986, said deliveries could have been higher if Taurus and Sable had made their debut sooner.

"Our car sales did not match the industry's full-year 4 percent gain, primarily because of the Taurus-Sable start-up mode in the early months," the company said in a report on 1986 sales highlights.

Taurus and Sable were introduced Dec. 26, 1985, and supplies were limited in the early months of 1986.

Ford said its new-car market share hit 21.2 percent in December, well above its 18.2 percent share for the year. Taurus-Sable contributed 5.5 percent in December, as Taurus was the industry's top selling car, Ford said.

Ford Division delivered 1,397,141 cars in 1986, which amounted to 0.78 percent gain from 1985. Lincoln-Mercury's 683,681 deliveries (including Merkur) were down 1.44 percent.

Escort was the No. 2 selling car last year behind Chevrolet Celebrity. The 402,181 Escort sales were the best for any small car and just 6,765 units shy of first-place Chevrolet Celebrity.

In one of the industry's long-time sales rivalries, Lincoln gained on Cadillac. In 1986 Lincoln had 58 percent of Cadillac's sales volume, up from 55 percent in 1985, Lincoln-Mercury Division said.

The division's domestic luxury-car sales set a calendar-year record of 177,584 units, highest since Lincoln-Mercury's founding in 1922. Lincoln Town Car led the way with record sales of 133,175, which amounted to 1.2 percent of industry sales, the division said.

Lincoln-Mercury set several records in 1986.

"Among highlights was a 26-percent sales increase for the fourth quarter from a year earlier, the best for any domestic division.

"In December, Lincoln sales were a record 91 percent of Cadillac Division. In addition, Town Car sales of 17,278 were a record for any month and reached a record share of 1.8 percent of industry," the division said.

Rolls-Royce sales up 9.5% in 1986

LYNDHURST, N.J. — Rolls-Royce Motor Cars reported that sales of its Rolls-Royce and Bentley models increased 9.5 percent in 1986.

The company sold 2,603 cars in 1986 compared to 2,377 in 1985, an increase of 226 units.

In the United States, Rolls-Royce's largest market, the company sold 1,155 cars in 1986 compared to 1,110 in 1985, for a 4 percent increase.

Robert Schwartz, president and chief executive officer of Rolls-Royce here, said sales should remain stable during the next year, but Bentley sales should substantially increase for 1987 in the United States.

Schwartz said the company expects annual Bentley sales in the United States to reach 500 by 1990. About 150 sedans have been allocated for this model year.

Rolls-Royce introduced a new Bentley Eight model last fall in New York.

Chrysler hits peak for car-truck sales

DETROIT — Chrysler Corp. said it sold an all-time record 1,905,150 vehicles in the United States during the 1986 calendar year. The previous high was 1,901,633 in 1973.

Chrysler's total car sales of 1,308,991 units were up 5 percent over 1985 and were the best since 1976 when 1,324,672 cars were sold.

Tom Pappert, Chrysler group vice president of sales, said, "Our Dodge and Chrysler-Plymouth dealers have done a great job. The introduction of the mid-size Dakota truck and the new Plymouth Sundance and Dodge Shadow models helped put us over the top.

"And we have more all-new products in 1987. For starters, the V-6 Plymouth Voyager and Dodge Caravan were added to our mini-wagon line in January, and the Chrysler LeBaron coupe debuts in February, with more new products scheduled each month for the first half of the year.

"We're looking for another strong showing in 1987."

Chrysler said its domestic car sales of 1,173,463 units in 1986 represented a 3 percent increase over 1985 and were the third highest in the company's history.

The company said that it increased its share of the total car market, including imports, to 11.5 percent in 1986, its sixth straight annual gain. Chrysler said it was the only domestic manufacturer to increase its domestic car sales and market share over the previous year in 1986.

Dodge Division sold more than one million vehicles for the first time in history, selling 525,462 cars (including imports) and 486,076 trucks for a total 1,011,538 units.

Total truck sales of 596,159 were second to the company's all-time high of 606,388 in 1985.

The company said its December truck sales of 65,184 were an all-time monthly high and were up 36 percent over the previous December.

Chrysler increased its share of the subcompact and compact segments during 1986, with the Plymouth Reliant and Plymouth Horizon the top sellers among company nameplates. Sales totals were 130,043 for Reliant and 111,092 for Horizon.

After the America models were introduced in May, sales of Horizon and Omni increased 82 percent through December compared to the same period in 1985. Chrysler said its share of the domestic subcompact segment rose 3.2 percentage points, from 5.3 percent to 8.5 percent during the period.

For the year, Omni sales increased 37 percent; Horizon was up 31 percent; and Dodge 600, Plymouth Caravelle, Chrysler LeBaron and New Yorker also scored gains, along with the imported Vista (49 percent) and Colt captive imports.

The Dodge Caravan was Chrysler's best-selling truck line with sales of 115,964, followed by the Plymouth Voyager at 110,083 and the Ram pickup at 106,451.

The Ram Van, Ram 50, Voyager and Caravan all had sales increases during 1986 over the prior year.

Sales of the trucks Chrysler imports from Mitsubishi Motors Corp. were a record 83,474, a 19 percent increase over 1985, and the third consecutive annual increase.

String of records continues for Saab

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Last year was not one highlighted by a great deal of sales record-breaking activity in the United States, but the 359 Saab dealers here did manage to put some new material in the record books.

They retailed 47,414 cars in the year compared with the previous record of 38,243 cars set by sales of 350 dealers in 1985. Tourist deliveries in 1986 totaled 837 units down from 1,021 in 1985, the company said.

The sales figures include cars sold by Saab dealers in the United States but delivered abroad. Those cars usually are bought by tourists, members of the diplomatic corps and business people who drive their cars in Europe then have them shipped home. Under Saab's plan, delivery can be in any of 11 European cities, the company said.

"U.S. Saab dealers set consecutive sales records every month for the past 57 months, an unprecedented achievement," said Robert J. Sinclair, president of Saab-Scania of America, based in Orange, Conn.

"We are targeting sales of 50,000 cars in 1987, but how many we actually sell this year depends largely on continued expansion of factory production to meet demand in the United States," Sinclair said.

Saab's sales growth in this country has been spectacular. Since 1980, its year-to-year sales have grown steadily. They climbed 7 percent in 1981, 25 percent in 1982 and 42 percent in 1983. Sales in 1984 climbed 27 percent above those of the preceding year. In 1985, they rose 17.0 percent, and last year they were up 24 percent from year-earlier levels.

Saab-Scania also reported record sales on a worldwide basis for 1986. Its dealers around the globe delivered 126,000 cars, up 18.0 percent from the 106,600 cars sold a year before.

The company said sales of the Saab 900 line were about the same as those in 1985, but sales of the new Saab 9000 rose to 32,000 units in 1986 from 7,000 units in 1985.

Export sales of 97,000 units accounted for 77 percent of the total versus 80,000 a year before.

In Western Europe, excluding the Nordic countries, sales rose 25 percent. "Significant increases were reported from the four major European markets, France, Italy, the United Kingdom and West Germany. Sales in Switzerland, Spain and Austria also grew substantially," Saab-Scania said.

Jaguar sets record in U.S. and Canada

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Jaguar car sales, bolstered by improved availability, reached record highs in the United States last year and, in each month, set records in Canada.

The U.S. mark of 24,464 units meant the fifth record year in a row and compared with 20,528 units delivered in 1985.

In Canada, Jaguar sales totaled 2,032 units, up 54.5 percent from 1,315 sold in 1985.

"After a year in which every month and every model set new sales records, it's not surprising that 1986 was Jaguar Canada's best year ever," said John Mackie, Jaguar Canada president.

"What may be surprising is the size of the increase in a year when the Canadian market experienced a downturn from 1985, a record-setting year."

Jaguar's Canadian success was consistent across the model line, with each model setting records as the year progressed. Mackie said XJ-6 and XJ-6 Sovereign recorded a 40.6 percent increase, while deliveries of XJ-12 Vanden Plas increased 62.3 percent. Sales of the XJ-S Coupe and Cabriolet rose 88.2 percent.

"Repeating, let alone improving on, such success seems a difficult task," Mackie said. "But with the continued strength of our present models and the great interest already expressed in the new Jaguars that will be introduced in April, we are confident in predicting 1987 also will be very successful for us."

EXCHANGE

FROM PAGE 1

So far, as the yen has swung from 260 per U.S. dollar in early 1985 to about 150 now, the Japanese have sought to maintain market share at the expense of lower profits. Their price increases haven't kept pace with the currency changes. As the dollar declines against the yen, Japanese producers tend to raise the prices of their exports.

The fluctuations don't come without risks, however. Economists warn that a too-weak dollar could dramatically raise the price of imports, spur inflation and ultimately bring on a recession.

That possibility aside, the U.S. auto industry is finding itself more cost competitive as Japanese and European products become more expensive in the U.S. market. Some are trying to capitalize on the situation to create a long-term strategic edge.

"Some of our products are becoming competitive without us even lifting a finger," said General Motors Chairman Roger Smith. But that, he suggested, is not enough. "We want to get everything competitive on an economic basis, and then we don't have to worry so much about exchange rates."

The Japanese, meanwhile, will find it tougher to maintain their economic advantage. The current profit crunch could reduce outlays for new-car programs, observers say. Such a cutback could compromise the quality of their products eventually.

On the other hand, the Japanese auto industry, with its knack for thriving on adversity, could turn the current challenge to its own advantage by developing even leaner operations and reducing break-even points.

With a stronger yen, Japanese companies are also finding it much less expensive to build plants in the United States.

However, when a Japanese company is importing equipment from Japan for a plant in the United States, construction costs can rise. In Flat Rock, Mich., Mazda Motor Manufacturing (USA) has watched the price tag on its new assembly plant rise from $450 million to $550 million.

"It takes some counter-measures to cope with the high appreciation of the yen — and that's what we're doing," said Mazda spokesman Jim Gill.

Mazda is responding by cutting costs 10 percent worldwide in such areas as investment in plants and machinery while trying to boost overall efficiency. One area that will be spared deep cuts is research and testing. Mazda is also planning to produce more vehicles outside Japan and use more U.S. suppliers.

Several analysts said they expected further price increases on Japanese exports, and that will pose a challenge for dealers.

"I would not be at all surprised this year to see Japanese manufacturers begin incentives," said Edward Sullivan, director of automotive consulting at Chase Econometrics in Bala Cynwyd, Pa.

Sullivan also said that dealers selling Japanese cars will have to become more aggressive to maintain their sales pace in the face of higher prices. "It should be great news for the consumer," he said.

It also poses a dilemma for U.S. carmakers, who can either bolster profits by matching the Japanese price hikes or try to increase market share by holding the line on prices.

The falling dollar has had an impact in other areas. While domestic sales opportunities have improved, so have opportunities in overseas markets for U.S. exporters. American Motors' shipments of Jeep products to Europe increased 154 percent in 1986 from 1985, a spokesman said.

While the increase reflects stepped-up marketing and an improved overseas dealer network with AMC's French partner, Renault, the dollar's decline against European currencies also has played a big role. "We expect to do a hell of a lot better in 1987," the spokesman said.

Hyundai, the South Korean automaker that has fared very well since entering the U.S. market a year ago, also has a chance to better its position. Its price advantage over its principal competitors has improved between 11 percent and 26 percent since the car's introduction, said a Hyundai Motor America spokesman Ted Kade.

Unlike other currencies, the Korean won has dipped slightly against the dollar in the last year.

Still, Hyundai has raised prices on some models to adjust for the higher cost of parts it imports from Japan. "We are not completely free from the yen," said Kade.

Like the yen, the West German mark has fallen dramatically in the last 18 months, bringing challenges to exporters there. BMW has attempted to build cash reserves and develop improvements for its cars when the dollar is strong, said Thomas O. McGurn, spokesman for BMW of North America. When the dollar declines and the BMW price tag goes up, the company can offer an improved product to go along with the higher price tag.

"Our obvious strategy has been to manage the business risks that currency represents," McGurn said. However, that doesn't keep the company from making investments when the dollar weakens. BMW of North America is raising advertising expenditures and also is going ahead with a new headquarters in New Jersey.

As for U.S. suppliers, the dollar-yen change has brightened their outlook considerably. Suppliers report that doors that were formerly closed to them are now opening up.

"You sense a better reception," said Henry Dehr, vice president — manufacturing for Crotty Corp., a Michigan-based manufacturer of sun visors and interior trim. "These people who didn't want to talk to you before now want to talk to you."

But the chance to quote prices doesn't automatically translate into new business. Suppliers note that Japanese demands for quality are as stringent as ever. It can take several years before a part is tested and a deal is signed. By then, the currency situation could be far different than it was at the start.

"If you can find anyone who is willing to gamble on where the foreign currency rates are going to be in three, five, 10 years, they are either a genius or a fool," said one supplier.

The U.S. government's primary aim in pushing the dollar down is to shrink the nation's burgeoning trade deficit. Though the dollar's decline hasn't had much of an effect so far, economists point out that changes in the trade picture tend to lag behind currency fluctuations.

If the trade deficit does shrink, U.S. industries are expected to recapture some of the territory claimed by foreign competitors. That could mean more jobs for U.S. workers and, in turn, benefit the automotive industry in the simplest of ways: by putting more money in the pockets of potential car buyers.

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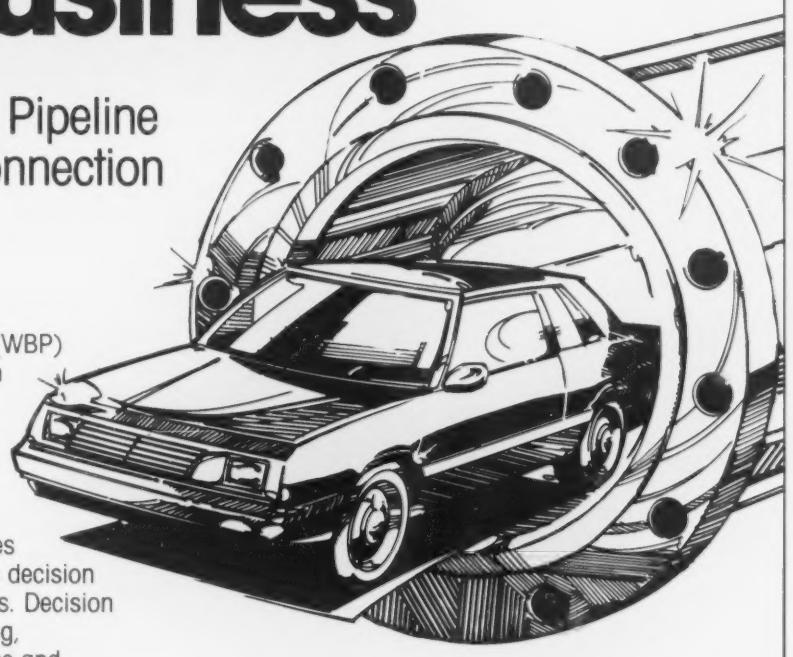

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AUCTION DATES

American Motors

Feb. 3 — D-A Auto Auction, New Stanton, Pa.

Feb. 4 — Minneapolis Auto Auction, Plymouth, Minn., and Kansas City Auto Auction, Kansas City, Mo.

Feb. 5 — Evansville Auto Auction, Evansville, Ind.; Todd Auto Auction, Telford, Pa., and Aptco Auto Auction, Taylor, Mich.

Feb. 11 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Feb. 12 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Feb. 13 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler Corp.

Feb. 3 — Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Golden Gate Auto Auction, Fremont, Calif.

Feb. 4 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Columbus Fair Auto Auction, Obetz, Ohio, and Southwest Auto Auction, Phoenix, Ariz.

Feb. 5 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y., and Indianapolis Auto Auction, Indianapolis

Feb. 10 — Dallas Auto Auction, (special sale), Grand Prairie, Texas; Aptco Auto Auction, Taylor, Mich.; and NuCarPrep System, Santa Fe Springs, Calif., and Florida Auto Auction of Orlando, Ocoee, Fla.

Feb. 11 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Boaz, Ala., and South Seattle Auto Auction, Kent, Wash.

Feb. 12 — Fredericksburg Auto Auction, Fredricksburg, Va.

Feb. 13 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Feb. 3 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

Feb. 4 — Northway Auto Auction, Clifton Park, N.Y.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn., and Golden Gate Auto Auction, Fremont, Calif.

Feb. 5 — Nashville Auto Auction, Nashville, Tenn., and Skyline Auto Exchange, Fairfield, N.J.

Feb. 11 — Concord Auto Auction, Acton, Mass.; Salt Lake Auto Auction, Salt Lake City; Brasher's Southern California Auto Auction, Fontana, Calif.; Columbus Fair Auto Auction, Obetz, Ohio, and Atlanta Auto Auction, Red Oak, Ga.

Feb. 12 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas, and Southwest Auto Auction, Phoenix, Ariz.

General Motors

Feb. 3 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas, and 166 Auto Auction, Springfield, Mo.

Feb. 4 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C., and Omaha Auto Auction, Omaha, Neb.

Feb. 5 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio, and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Feb. 10 — Denver Auto Auction, Englewood, Colo.

Used Car Sales
Auction Averages

January 1987	$5,494
Month ago	$5,129
Year ago	$4,651

Model Breakdown
Auction Averages

	JAN 1987	DEC 1986	NOV 1986
1987	$13,158	$ 00	$ 00
1986	$11,481	$11,149	$11,299
1985	$7,054	$8,144	$8,286
1984	$5,811	$6,142	$6,186
1983	$4,995	$5,386	$5,420
1982	$3,599	$4,141	$4,190
1981	$2,614	$3,177	$3,244
1980	$1,997	$2,349	$2,387
Overall Average	$5,494	$5,129	$5,181

Analyst predicting boom for certain auto plastics

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

TOLEDO, Ohio — Lots of people are predicting growth for automotive plastics in the years ahead.

But James R. Best says he has a fix on the kinds of plastics that will make the biggest gains.

Best, president of Market Search Inc., headquartered here, recently completed a 633-page multi-client analysis of the industry.

He said, "Several segments of the automotive plastics market will see unprecedented growth over the next 5 to 10 years."

Those include exterior body panels, wheels, frame components, bumpers, headlamps, fuel tanks, flush window mountings, and a variety of underhood and interior applications, he said.

However, he cautioned, "This growth will also stimulate an unprecedented degree of plastics-versus-plastics competition. For each metal application that's vulnerable, there are several plastics materials and processes under consideration."

Based primarily on interviews with automotive engineers, Best said he can predict which plastics system will be the winner in each application.

His projections are based on U.S. and Canadian production of passenger cars and light trucks.

He said that consumption of fiberglass-reinforced thermoset polyester will surge from 176 million pounds in 1986 to 341 million pounds in 1996. Most of this growth, he said, will be in new all-plastics-bodied cars and vans, where consumption will skyrocket from 14.9 million pounds in 1986 to 186 million pounds in 1996.

Reinforced-epoxy structural applications are predicted to see an even higher, 295 percent, growth over the next 10 years, but from a smaller base of 5.1 million pounds in 1986.

Best said several thermoplastics areas will see important growth over the next 10 years.

Polypropylene consumption will increase by more than 66 million pounds in front- and rear-end systems.

Polyethylene consumption will increase by more than 28 million pounds in fuel tanks. Nylon-modified polypropylene will capture 18.6 million pounds of new business in fender applications.

Functional polycarbonate applications will grow by 16.2 million pounds, while headlamp lenses will add another 1.4 million pounds.

Additionally, polycarbonate/PBT alloy will see growth of more than 44 million pounds in bumper applications, and nylon will see more than 28 million pounds of growth in a variety of applications.

Best said the projections are based on current usage, as detailed in a computerized listing of over 3,000 applications.

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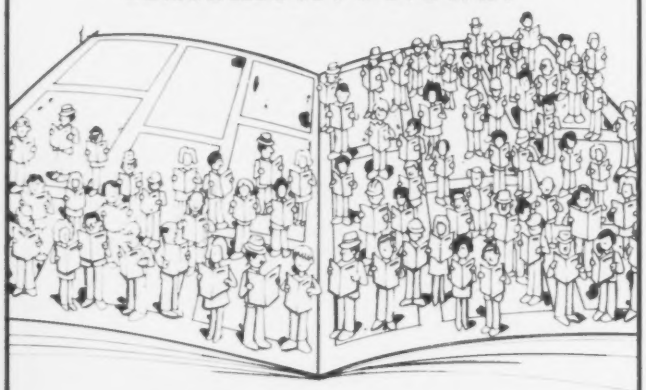

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Viewing L.A. and cars

Professor sees rebirth of design role

LOS ANGELES — All right, trivia buffs, what do the following have in common: Magnolia, Rocket, Coyote Special, Daisy and White Swan?

The answer: They were among 72 makes of cars produced in Los Angeles between 1897 and 1920.

The role of Los Angeles as an automotive design and manufacturing powerhouse, second only to Detroit, has been largely forgotten, according to Dr. Rebecca Morales, an assistant professor in the urban planning program of the UCLA Graduate School of Architecture and Urban Planning.

But, she said, the successes and failures of the past may chart the track to the geographic future of design.

While researching the contributions of workers to the industrial growth of Southern California, Morales became fascinated with the history — and future — of the local auto industry and has completed a monograph on the subject.

Angelenos' love affair with the car began long before there were freeways, or even worthy surface roads, Morales said. By 1903, with 250 cars in use, the city was hailed as the most important automobile center west of Chicago.

From the beginning, Morales said, amateur and professional mechanics applied their ingenuity to handcrafting specialty and racing cars, customizing and coachwork — "fields in which Los Angeles remains supreme."

Morales called that "craft orientation" one of the two main stems of the industry's evolution in Los Angeles.

The second stem was "Fordism," the mass production of cars through the use of moving assembly lines, which started locally in 1913 when Henry Ford opened a plant in downtown Los Angeles.

Both specialized and mass production grew rapidly in the 1920s, and even expanded during the depression.

Between 1929 and 1936, Willys-Overland, Ford, Chrysler and General Motors opened plants in the Los Angeles-Long Beach area. At the same time, Morales said, Los Angeles evolved into the world center for car racing, and the city's coach designers pioneered "Hollywood styling" and the "California-type chassis."

To meet the demand for cars after World War II, Nash, Studebaker and General Motors set up mass-production facilities in 1947, and the last new plant was opened in 1957 by Ford in Pico Rivera.

During the 1950s, seven major assembly plants turned out 650,000 cars a year, but from that peak the decline was as steep and rapid as the earlier growth.

By 1980, the GM plant in Van Nuys was the sole surviving major assembly plant in California (GM and Toyota have since begun building cars in a joint venture in Fremont), and an industry analyst predicted that American auto and parts manufacturing would soon shift altogether to less-developed countries, where labor was cheap.

Morales believes that the doomsayers are wrong. She said the future of the American auto industry lies in integrating the techniques of craft and mass production and that Los Angeles, drawing on its long experience in both fields, "is in a unique position to shape the course of the industry."

Another harbinger of a better future is the opening during the past decade of design facilities by nine major Japanese and domestic auto makers.

PRODUCTION

Car production up 7%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled production of 168,700 cars last week, 7.48 percent more than the previous week's 156,961 but 2.33 percent below the year-ago week's 172,719.

So far this year, 629,523 cars have been assembled, 16.90 percent below the 757,520 completed last year at this point.

Last week's targeted production was split as follows: General Motors, 52.27 percent; Ford Motor Co., 25.30 percent; Chrysler Motors, 12.33 percent; Honda of America Manufacturing Inc., 4.34 percent; New United Motor Manufacturing Inc., 2.37 percent; Nissan Motor Manufacturing Co., U.S.A., 1.73 percent; Volkswagen of America, 1.19 percent; and American Motors, 0.47 percent.

GM has increased its number of indefinite layoffs by 3,000 to 30,000. The company said the layoffs are a result of previously reported scheduled adjustments at various GM assembly and components plants.

GM's Leed's, Mo., plant resumed output today (Feb. 2). The plant was down last week because of a parts shortage.

Two GM plants are idle this week. The Arlington, Texas, facility is closed for installation of paint equipment and is scheduled to resume output Feb. 16, and the Lakewood, Ga., plant will be down for model changeover until early May.

GM slated Saturday (Jan. 31) overtime at three plants: Lansing, Mich.; Linden, N.J.; and Wilmington, Del.

Ford's Lorain, Ohio, plant was scheduled for Saturday overtime. All Ford car plants are slated for daily overtime this week.

Saturday (Feb. 7) overtime is scheduled for Ford's Dearborn, Mich.; Atlanta, Ga.; and Chicago plants.

Chrysler slated overtime last Saturday at Belvidere, Ill.; Newark, Del.; Sterling Heights, Mich.; and Detroit (Jefferson Avenue).

Daily overtime is scheduled this week at Belvidere, Newark and Sterling Heights.

Trucks hold at 76,000 for week

Domestic truck production was scheduled at 76,712 units last week, slightly below (0.21 percent) the previous week's 76,872 but 6.38 percent more than the year-ago week's 72,113.

General Motors' Baltimore and Detroit plants were slated for overtime Saturday (Jan. 31).

Saturday overtime was scheduled at Ford Motor Co.'s Twin Cities, Minn., and Norfolk, Va., plants. All Ford truck plants are slated for daily overtime this week (Feb. 2).

Three Ford plants are scheduled for overtime next Saturday (Feb. 7). They are Wayne, Mich.; Kansas City, Mo.; and St. Louis.

Chrysler Motors' Warren, Mich., plant is slated for daily overtime this week.

Canadian makers boost output

Last week's scheduled output of 21,400 cars in Canada was 7.30 percent more than the previous week's 19,945 and 3.79 percent more than the year-ago week's 20,619.

So far this year, 75,062 cars have been assembled, 13.66 percent below the 86,935 completed last year at this point.

Truckmakers' targeted output of 16,312 units last week, 11.19 percent more than the prior week's 14,671 but 11.84 percent below the year-ago week's 18,503.

On Feb. 16, General Motors will add a second shift at its van plant in Scarborough, Ontario. About 1,000 workers will be recalled. The second shift was dropped last October.

CANADIAN CAR	Week Ended Jan. 31, 1987	Week Ended Feb. 1, 1986	Week Ended Jan. 24, 1987	Jan. to Date	Jan. 1 to Feb. 1, 1986	Jan. 1 to Jan. 31, 1987
AMERICAN MOTORS	150	0	150	603	1,200	603
FORD MOTOR	11,645	11,349	10,505	44,438	50,130	44,438
GENERAL MOTORS	9,280	9,045	8,956	28,744	34,643	28,744
HONDA	100	0	109	354	0	354
VOLVO	225	225	225	923	962	923
Total Cars, Canada	21,400	20,619	19,945	75,062	86,935	75,062

U.S. TRUCK☆	Week Ended Jan. 31, 1987	Week Ended Feb. 1, 1986	Week Ended Jan. 24, 1987	Jan. to Date	Jan. 1 to Feb. 1, 1986	Jan. 1 to Jan. 31, 1987
CHEVROLET	21,902	24,418	21,964	88,974	109,634	88,974
DODGE	4,500	0	4,716	17,723	0	17,723
FORD	32,305	30,025	32,228	129,382	126,947	129,382
GMC	7,926	8,157	7,843	30,218	32,072	30,218
NAVISTA	1,611	1,496	1,540	6,222	6,452	6,222
JEEP	4,450	4,183	4,526	17,667	24,082	17,667
NISSAN	1,668	1,384	1,705	6,842	2,564	6,842
AM GENE	50	50	50	200	222	200
MISCELLA S*	2,300	2,400	2,300	9,200	9,000	9,200
Total Trucks, U.S.	76,712	72,113	76,872	306,428	310,973	306,428

CANADIAN TRUCK	Week Ended Jan. 31, 1987	Week Ended Feb. 1, 1986	Week Ended Jan. 24, 1987	Jan. to Date	Jan. 1 to Feb. 1, 1986	Jan. 1 to Jan. 31, 1987
AMERICAN MOTORS	625	0	589	2,458	0	2,458
CHRYSLER	7,982	8,414	8,162	34,427	39,789	34,427
FORD	3,648	3,615	2,786	13,206	15,535	13,206
GENERAL MOTORS	3,856	6,305	2,915	12,056	25,971	12,056
NAVISTAR	201	169	199	801	737	801
Total Trucks, Canada	16,312	18,503	14,671	62,948	82,032	62,948
N. American Trucks	93,024	90,616	91,543	369,376	393,005	369,376

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Jan. 31, 1987	Week Ended Feb. 1, 1986	Week Ended Jan. 24, 1987	Jan. to Date	Jan. 1 to Feb. 1, 1986	Jan. 1 to Jan. 31, 1987
AMERICAN MOTORS	800	0	837	3,137	2,823	3,137
Renault Total	800	0	837	3,137	2,823	3,137
Alliance	800	0	837	3,137	2,378	3,137
Encore	0	0	0	0	445	0
CHRYSLER MOTORS	20,800	31,325	23,039	94,691	135,428	94,691
Plymouth Total	7,800	8,711	8,889	35,962	38,567	35,962
Horizon	3,200	2,990	3,545	14,229	14,104	14,229
Sundance	1,900	0	1,910	8,125	0	8,125
Reliant	1,700	4,149	2,339	9,326	17,656	9,326
Caravelle	1,000	1,180	1,095	4,282	5,692	4,282
Gran Fury	0	392	0	0	1,115	0
Chrysler Total	4,500	11,833	5,096	20,418	49,907	20,418
Laser	0	1,085	0	0	4,672	0
LeBaron K	1,200	2,982	1,337	6,077	12,208	6,077
LeBaron J	1,400	0	1,556	5,496	0	5,496
LeBaron GTS	500	2,520	635	2,657	10,514	2,657
New Yorker/E-Class	1,400	1,517	1,568	6,188	7,058	6,188
Fifth Avenue	0	3,729	0	0	15,455	0
Dodge Total	8,500	10,781	9,054	38,311	46,954	38,311
Daytona	700	1,057	790	2,769	4,574	2,769
Omni	2,800	3,095	2,972	12,309	14,050	12,309
Shadow	1,700	0	1,741	7,417	0	7,417
Aries	1,800	2,602	1,878	9,133	10,682	9,133
Dodge 600	1,000	1,677	1,123	4,340	7,497	4,340
Lancer	500	1,983	550	2,343	8,258	2,343
Diplomat	0	367	0	0	1,893	0
FORD MOTOR	42,680	35,298	41,571	168,093	149,538	168,093
Ford Division	28,800	23,853	28,605	114,578	100,913	114,578
Escort	7,513	7,744	6,932	29,586	34,110	29,586
Mustang	4,600	4,103	4,858	18,249	17,581	18,249
Tempo	4,113	4,029	4,148	16,386	18,746	16,386
Taurus	9,831	4,334	10,061	39,942	14,637	39,942
Thunderbird	2,743	3,643	2,606	10,415	15,839	10,415
L-M Division	13,880	11,445	12,966	53,515	48,625	53,515
Mercury Total	9,816	7,755	9,303	37,805	32,717	37,805
Lynx	1,308	1,531	1,124	5,015	6,756	5,015
Capri	0	283	0	0	1,967	0
Topaz	1,396	1,371	1,359	5,409	6,316	5,409
Cougar	4,127	2,431	3,861	15,566	10,408	15,566
Sabie	2,985	2,139	2,959	11,815	7,270	11,815
Lincoln Total	4,064	3,690	3,663	15,710	15,908	15,710
Continental	407	410	376	1,578	1,900	1,578
Lincoln	3,048	2,767	2,747	11,782	11,939	11,782
Mark VII	609	513	540	2,350	2,069	2,350
GENERAL MOTORS	88,191	97,752	75,617	301,352	429,201	301,352
Buick Total	14,750	14,551	14,827	55,922	72,653	55,922
Skyhawk	0	1,864	2,020	4,094	8,172	4,094
Century	4,435	4,750	3,200	16,660	25,742	16,660
Regal	1,847	1,056	1,843	3,690	4,167	3,690
Somerset/Skylark	2,225	2,268	2,202	8,855	9,308	8,855
LeSabre (fwd)	2,284	1,963	1,932	9,020	6,716	9,020
LeSabre/Electra (rwd)	380	214	383	2,536	1,006	2,536
Electra (fwd)	2,716	2,123	2,462	7,825	15,645	7,825
Riviera	863	313	785	3,242	1,897	3,242
Cadillac Total	7,953	7,429	7,216	29,035	26,606	29,035
Cimarron	552	358	546	2,182	1,902	2,182
Allante	50	0	45	167	0	167
Brougham (rwd)	1,680	2,085	1,466	6,464	4,758	6,464
DeVille (fwd)	4,000	4,372	3,596	13,955	16,560	13,955
Eldorado	411	347	366	1,822	1,999	1,822
Seville	1,260	267	1,197	4,445	1,387	4,445
Chevrolet Total	33,700	33,449	26,184	103,625	150,594	103,625
Chevette	0	2,641	0	0	11,873	0
Camaro	3,091	4,902	3,085	6,176	21,765	6,176
Cavalier	8,145	9,310	4,945	28,645	41,788	28,645
Celebrity	8,525	6,233	7,027	32,561	26,244	32,561
Corsica/Beretta	6,289	0	3,815	17,087	0	17,087
Monte Carlo	1,827	2,622	1,797	3,624	11,917	3,624
Chevrolet	5,183	7,741	4,875	12,956	37,007	12,956
Corvette	640	0	640	2,576	0	2,576
Oldsmobile Total	14,981	24,387	14,220	56,698	106,122	56,698
Firenza	0	937	1,056	2,335	4,449	2,335
Calais	2,575	3,151	2,505	10,241	13,676	10,241
Cutlass Ciera	4,245	6,280	3,189	15,936	31,147	15,936
Cutlass Supreme	346	4,988	354	700	20,074	700
88 (fwd)	4,966	4,690	4,479	16,836	18,516	16,836
88 (rwd)	360	477	422	1,703	2,906	1,703
Olds 98	1,868	3,621	1,639	6,606	14,007	6,606
Toronado	621	243	576	2,341	1,347	2,341
Pontiac Total	16,807	17,936	13,170	56,072	73,226	56,072
Acadian*	0	209	0	0	761	0
Fiero	950	2,389	666	1,616	4,734	1,616
1000	0	502	0	0	2,694	0
Firebird	2,359	2,694	2,325	4,684	11,577	4,684
2000 Sunbird	2,816	2,688	0	8,492	12,549	8,492
Grand Am	5,210	4,418	5,247	20,620	19,143	20,620
6000	1,935	3,021	1,348	7,080	12,052	7,080
Bonneville	3,200	0	3,243	12,902	0	12,902
Safari/Parisienne	337	2,015	341	678	9,716	678
HONDA	7,315	3,656	6,837	28,306	16,388	28,306
Civic	2,996	0	2,996	12,809	0	12,809
Accord	4,319	3,656	3,841	15,497	16,388	15,497
NISSAN	2,914	1,718	2,943	11,714	8,943	11,714
NUMMI	4,000	2,970	4,117	16,249	8,000	16,249
Corolla	750	0	837	3,335	0	3,335
Nova	3,250	2,970	3,280	12,914	8,000	12,914
VOLKSWAGEN	2,000	0	2,000	5,981	7,199	5,981
Golf/GTI	1,750	0	1,750	5,231	7,199	5,231
Jetta	250	0	250	750	0	750
Total Cars, U.S.	168,700	172,719	156,961	629,523	757,520	629,523
Total Cars, Canada	21,400	20,619	19,945	75,062	86,935	75,062
N. American Cars	190,100	193,338	176,906	704,585	844,455	704,585
N. American Trucks	93,024	90,616	91,543	369,376	393,005	369,376
North American Cars and Trucks	283,124	283,954	268,449	1,073,961	1,237,460	1,073,961

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Output dips slightly for Japan in '86

TOKYO — Japan's production of cars, trucks and buses in 1986 totaled 12,259,817 units, a decline of 0.1 percent from 12,271,095 in 1985.

The Japan Automobile Manufacturers Association said it was the first decline since 1982.

The association attributed last year's dip to a slowdown in exports resulting from the yen's sharp rise against the U.S. dollar. The strong yen has eroded the competitiveness of Japanese cars in overseas markets by forcing automakers to increase prices.

Japanese manufactures last year produced a record 1,322,418 knockdown kits, up 32.1 percent from 1985. JAMA said it reflected increased overseas assembly.

The association reported that production of completely built vehicles dropped 3.2 percent in December to 984,012 units, compared with 1,016,194 units in 1985. December's output included 627,593 cars, 352,897 trucks and 3,522 buses.

Toyota Motor Corp. produced the most vehicles in 1986. Its total was 3,660,167, down 0.1 percent from the previous year's 3,665,622 units.

Nissan Motor Co.'s output amounted to 2,242,995, compared with 2,500,088 the year before — a drop of 10.3 percent.

Honda moved into third place among the auto producers with 1,236,398 units. That was an increase of 10.4 percent over 1985's output of 1,120,311 units.

Mazda Motor Corp. produced 1,195,625 vehicles, up 0.2 percent over the year-before total of 1,193,692.

Mitsubishi Motors Corp. production increased 2.2 percent to 1,177,975, compared with 1,152,777 in 1985. Suzuki Motor Co. produced 872,411 vehicles in 1986, an increase of 11.6 percent above the year-earlier total of 781,901.

Fuji Heavy Industries produced 628,303 units, up 7.5 percent over the year-before total of 584,384. Daihatsu Motor Co. produced 602,519 units in 1986, up 4.1 percent over 578,937 in 1985. Isuzu Motors production was 554,900, a decline of 5.5 percent from 587,015 units in 1985.

Hino Motor Co. produced 55,114 trucks and buses in 1986, a decrease of 20.2 percent from the year-before output of 69,063. Nissan Diesel Motor Co.'s production of trucks and buses totaled 32,703 units, compared with 36,351 the year before, a 10.0 percent decline.

Porsche taps tire makers

STUTTGART, West Germany — The Bridgestone 1 V-rated high-performance tire has been picked by Porsche as the original equipment tire for its 959 model. The tire will be fitted on the first 135 cars of the 250 cars to be produced. The tire is designed to handle speeds of up to 200 mph.

Goodyear's high-performance radial, the Eagle VR, has been approved by Porsche for original equipment on six of its models. The tire, produced by Goodyear in West Germany, will be standard on the 911 Carerra, 911 Turbo, 924S, 928S, 944 and 944 Turbo models.

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Automotive News

February 9, 1987

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Dealers voice gripes, views at make meetings

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LAS VEGAS, Nev. — Customer rebates and who pays for them, the importance of car quality, computer systems controversies and future product plans were among the key issues discussed in make meetings at the National Automobile Dealers Association annual convention.

While the media were excluded from the actual sessions, Automotive News reporters were able to piece together details of what transpired from dealer and manufacturer sources. Gathering complete details was not always possible because the meetings were closed by NADA, but what follow are the best available accounts of what happened at the major make sessions.

In separate make meetings, Chevrolet and Ford/Lincoln-Mercury dealers overwhelmingly agreed they would prefer $700 customer rebates fully paid by the factories rather than the current $1,000 rebates to which dealers must contribute $300 in addition to the factories' $700.

One Chevy dealer said that when dealers have to contribute $300 toward the rebate, "They've got to almost mislead the customer; they've got to make up that $300 on the trade-in or something of that nature."

Yet, in a private session with GM Chairman Roger B. Smith, dealers representing all five GM makes were said to have favored the $1,000 rebate — so that GM could maintain its competitive position against Ford.

Warranties also were a hot make-meeting topic. Although Chrysler's extended 7-year/70,000-mile drivetrain warranty and 6-year/60,000-mile drivetrain warranties at General Motors and Ford were generally praised, Cadillac dealers expressed concern that such generous offerings narrowed the gap between Cadillac and other GM divisions.

Cadillac General Manager John O. Grettenberger assured Cadillac dealers that their warranties would remain distinctive — and the best.

And, in a related development, there were indications given to Chevrolet dealers that GM would this week broaden its extended warranty coverage from drivetrains to such things as air conditioning and soft trim.

At Chevrolet and Chrysler-Plymouth sessions, quality was a major topic. One Chevy dealer complained that the Chevy Nova was difficult to sell against the Toyota Corolla, even though Nova is a Corolla derivative and is built in a Toyota-managed plant in Fremont, Calif.

"GM and Chevy aren't telling the story," that dealer said. "They've got to tell peo[illegible]

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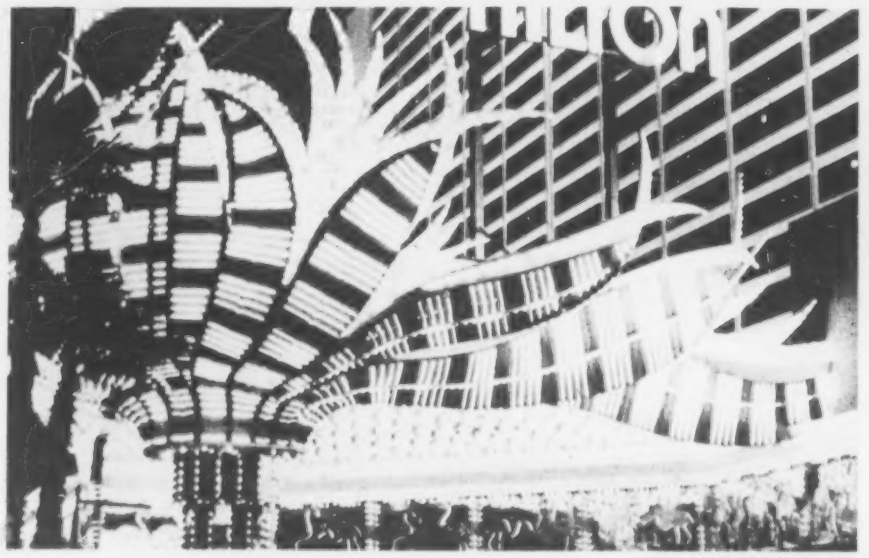

AUTOMOTIVE NEWS JOE WILSSENS PHOTOS

Activities at the 1987 NADA convention ranged from lectures to parties

NADA: *Incentives, megadealers are hot issues; dealers shop for computers, franchises*

By Kathleen Hamilton
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS — The record-breaking 70th convention of the National Automobile Dealers Association found dealers shopping for computers and looking for franchises for low-priced vehicles. The megadealer phenomenon and factory incentives proved this year's hottest topics — for conversation and study sessions.

A preliminary tally of attendance at the Las Vegas gathering showed 11,000 pre-paid registrants — a record — another 4,000 who registered during the convention — a record — and 5,000 more registrants from exhibitors.

Workshop attendance, hotel rooms, the number of exhibitors and exhibit space also hit all-time highs, said Convention Chairman H.E. "Buddy" Derrick Jr., Lexington (Va.) Motor Sales.

As usually happens when auto dealers gather, there was a mood of optimism about sales for

see CONVENTION, page 99

Japanese incentives spreading

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS, Nev. — Subaru of America launched a cash-to-dealer program last week, leaving American Honda and Mazda as the only Japanese marketers not offering car incentives.

Subaru's deal is a flat-rate $500 to $1,200 allowance per car from Feb. 4 to March 10, without qualifiers or volume increases, President Tom Gibson said.

The program, jointly funded by Subaru of America and independent distributors, is aimed at reducing growing inventories and clearing out about 7,000 remaining 1986 models.

Dealers get $1,200 for each 1986 XT coupe, GL-10 or any turbocharged car and $500 for all other 1986 models sold during the 40-day period. The offer is $1,000 for 1987 front-wheel-drive GL-10s and front-drive GL turbos and $500 for all other 1987 front-drive GLs except for Justy, Brat and hatchback models.

The program was revealed as Subaru inventories grew from a 50-day supply in December to 75 days at the end of January.

The Subaru program is similar to those of other Japan-based marketers — not offering deals directly to consumers, but only to dealers. The only recent direct incentive on cars was an American Isuzu low-interest-rate offer that ended Dec. 31.

Cash-to-dealer incentives are currently in force at Nissan, Toyota and Mitsubishi.

Nissan is offering $300 to $600 on each Sentra, Stanza and Maxima sold between Jan. 7 and April 2, depending on volume. Toyota dealers get $200 to $1,000, depending on volume, on Corolla FX-16s sold in the first quarter. Mitsubishi dealers receive between $400 and $1,000 for each car or truck sold through March 1, depending on overall volume, with a $500 bonus on each Galant.

Direct consumer incentives have been commonplace for several years on Japanese-made trucks in the highly competitive small truck segment, but major Japanese marketers have been reluctant to break the direct incentive barrier on cars. But many import dealers said they believe widespread import car incentives will be inevitable, perhaps coming as early as March, as inventories build.

Ford ups truck warranty as Chicago show opens

By Dave Zoia
AUTOMOTIVE NEWS STAFF REPORTER

CHICAGO — Ford Motor Co. fired the latest shot in the war over new-vehicle warranties, extending its 6-year/60,000-mile powertrain and 6-year/100,000-mile rust-through protection to its 1987 model light trucks.

Ford made its announcement prior to the opening of the 79th annual Chicago Auto Show.

Also at the auto show, American Motors President Joseph E. Cappy said the automaker expects to sell

1988 Renault Premier: designed by Italy's Giugiaro and built in Ontario

"We'll sell that many and more — easily," Cappy said in a speech prepared for the Premier's unveiling at the show. "Our dealers are ready on cloud nine drooling [illegible]er this car, even though they won't be selling it until the fall."

Cappy said sales of the higher-profit-margin Premier, the imported Medallion coming this spring, the Alpine sports car and Premier-based coupe would spark a financial recovery at AMC.

The Premier will be assembled at AMC's new plant in Bramalea, Ont., Canada.

In addition to new product unveilings at the Chicago Auto Show, warranties were the subject of much discussion.

The new Ford warranty program, which covers 1987-model Econoline vans, Club Wagons, F-Series pickups, Bronco, Bronco II, Ranger and Aerostar — came in response to the recently announced 7-year/70,000-mile Chrysler Motors powertrain warranty for both cars and trucks.

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Ford of Europe opts for profits Page 18

U.S. car sales fall in January Page 102

NEWSPAPER

B-O-C shuts dining room for execs

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — In an attempt to break down barriers between employees, General Motors' Buick-Oldsmobile-Cadillac Group has shut down an executive dining room at its GM Tech Center headquarters.

The Feb. 1 closing was a "symbolic" gesture to show B-O-C's desire to open up communication channels among workers, said spokesman Stan Hall.

"The whole idea is that we are trying to create a more participative management style," he said. "One of the ways to do this is to break down the barriers between various levels of people."

Approximately 40 executives had access to the dining room, Hall said. They will now use the main cafeteria for in-house meals. In that cafeteria, which sits beneath a four-story atrium adjacent to the old dining room, employees stand in line for their meals and pay for them on-site.

The same kitchen served both eating areas, said Hall. But the executives had meals delivered to their tables, and a $50 monthly dining-room fee was taken from their paychecks.

GM's cafeteria operations are partially subsidized by the company, Hall said.

The dual-room setup was left over from the days when the old GM Assembly Division occupied the building, Hall said. The idea was to give managers a place to discuss business privately.

B-O-C moved into the space after GM's corporate realignment in 1984.

The joint dining plan surfaced after the formation of B-O-C in 1984, when a transition team began looking at ways to change the group's corporate culture, Hall said.

As part of that effort, B-O-C also developed joint strategy teams to encourage communication between management and the UAW. Typically, representatives from B-O-C and UAW trades groups meet monthly. And every quarter their ideas are brought before top B-O-C and union officials.

GM's Chevrolet-Pontiac-Canada Group, which has a similar cafeteria setup in its Tech Center headquarters, will continue to operate its executive dining room, a spokeswoman said. At some C-P-C operations, all employees share the same dining area, she said.

Production to begin in 1989

TARRYTOWN

GM's oldest plant was built in 1900, but its modern contract won minivan

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

General Motors' North Tarrytown, N.Y., plant has won production of the new plastic-body all-purpose minivan.

GM said it will invest $250 million in the facility, whose workers recently ratified a local contract that eliminates traditional job classifications in favor of the team method of production. (Automotive News, Jan. 19).

Production of the minivan is scheduled to begin in February 1989. It will be marketed by Chevrolet and Pontiac.

Tarrytown is GM's oldest plant. Walker Steamer automobiles were built in 1900 at the facility, which is located 20 miles north of New York City. The plant was sold to Maxwell-Briscoe in 1903. W.C. Durant bought it in 1914 and began Chevrolet production there in 1915.

GM pilot-tested its Quality of Work Life program in Tarrytown in 1973. "That was the start," said John Clark, shop chairman of the bargaining committee of UAW Local 664.

"Back then, we realized what was confronting us. QWL means mutual trust and respect — common sense, really," he said. "We were an old plant, a militant plant. We filed hundreds of grievances. We were cutting up and carrying on.

"We realized that was no way to run a business," Clark said.

GM has told workers at Tarrytown it is committing $80 million for land improvement, construction of a plant addition, tooling, machinery and equipment. In 1985, GM announced a $170 million investment to construct a new paint shop at the plant.

GM President F. James McDonald made the announcement that Tarrytown had been selected to produce the minivan.

Apparently countering recent criticism by UAW President Owen Bieber before a Senate Labor subcommittee (Automotive News, Feb. 2), McDonald said, "I'm proud to say that General Motors is investing more into America's industrial future than anyone else in the auto industry, if not all of American industry."

Bieber told the subcommittee that — rather than close plants — automakers should "renew their commitment to U.S. production and concentrate their resources on improving U.S. manufacturing capabilities."

McDonald told the Tarrytown workforce, "In the first six years of this decade, GM has invested $41.5 billion to increase the profitability and productivity of its American plants and facilities." He said the investment in the Tarrytown plant is a major step in GM's commitment to revitalize this country's industrial base and maintain American jobs.

McDonald said key factors in the decision to build the minivan at Tarrytown were the new labor agreement, commitment of the 4,500 employees to achieve world-class excellence and a close working relationship with state and local governments.

Clark said that the state has committed training funds as well as a training facility and will make infrastructure improvements such as raising railroad bridges and widening roads.

The state also has said it will encourage a supplier to locate a facility 40 miles north of the Tarrytown plant to produce plastic panels.

Clark said production of the new front-wheel-drive minivan is slated to begin in February 1989, with 90,000 units scheduled for the first year. Full production is planned at 200,000 per year — the same volume as for the Pontiac 6000 and Buick Century, which are now built at the plant.

McDonald said the new van will be marketed by Chevrolet and Pontiac. Like the Pontiac Fiero, it will have composite exterior body panels attached to a spa

AMC may produce Jeep at Bramalea

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

American Motors is considering building future Jeep models in its new Bramalea, Ontario, plant or an entirely new plant if negotiations with workers at its Kenosha, Wis., fail, according to a union leader.

Rudy Kuzel, president of UAW Local 72, which represents Kenosha workers, said AMC told the union that the new Jeep ZJ could fill the excess capacity in its $400 million Bramalea facility or could be placed in a completely new plant.

The Jeep ZJ — the next generation of Jeep Cherokee, Wagoneer and Comanche models — is being considered for the Kenosha plant, but AMC said it must have a new lower-cost labor contract there.

AMC officials would not comment on the negotiations or on whether they are considering a new plant for the ZJ.

Meanwhile, AMC narrowly averted a strike at its Toledo, Ohio, Jeep plant by settling long-standing health and safety grievances — and, in the process, may have reopened the door to another alternative for future Jeep production.

UAW Local 12 Committee Chairman Dan Twiss said the Feb. 3 settlement ending three days of negotiations could lead to further talks between AMC and Jeep workers on a new contract to bring a new Jeep model into the Ohio plant.

The Toledo Jeep plant builds all of AMC's Jeep models except one and is currently being considered to produce a new Jeep pickup. But first, AMC wants a new, lower-cost labor contract for the plant.

One major obstacle to placing future production in the Toledo plant is a so-called "wheel tax" formula, which requires AMC to repay earlier concessions by workers on the basis of how many units are built, rather than as profit-sharing.

AMC agreed to eliminate several health and safety problems in the Toledo plant. AMC also agreed not to outsource work to non-union members for six months in such fields as truck-fleet and body shop subassembly for six months.

Kuzel said AMC revealed its alternatives for Jeep production during contract discussions with Kenosha union leaders. The automaker wants to nail down a lower-cost labor agreement as part of a larger renovation project that would bring new products into the plant. Without the renovation, AMC said it will close the assembly plant in 1989.

Last December, AMC President Joseph Cappy said he company had an "alternative site for Jeep production," although he did not specify where.

According to Kuzel, AMC representatives said that the ZJ could be built at Bramalea alongside the new Renault Premier, an intermediate car scheduled to debut in late 1987. The plant now has capacity to build 200,000 vehicles a year, however an AMC planning document shows that Premier production will hit a maximum of 162,000 annually during the next seven years.

AMC also faces financial penalties if Bramalea's total output falls below 158,000 vehicles a year. So far, AMC plans to exceed that volume only once in the next seven years with 162,000 Premiers in the 1989 calendar year.

Kuzel said company officials hinted that the company also was considering proposals from several states for a new assembly plant. At last count, AMC was looking at proposals from five states.

Company officials also mentioned that the province of Quebec was willing to work with AMC on locating a new assembly plant in that area, Kuzel said. However, a top Quebec economic development official said the province is not currently negotiating with AMC on a new plant.

A new plant could be the death knell for both Kenosha and Toledo, where heated labor talks have been going on for months.

In January, AMC offered to renovate the Kenosha plant to produce a new line of Jeeps and Chrysler Motors subcompacts if the union would negotiate a new contract.

AMC said it would need $195 million in loan guarantees from the state of Wisconsin and a production contract for Chrysler's Omni and Horizon cars.

But negotiations in Wisconsin between AMC and the union have not proven successful; both sides rejected contract proposals two weeks ago.

Last week, Wisconsin Gov. Tommy Thompson gave AMC a preliminary report on what the state was willing to provide AMC in aid for the Kenosha project. The state report must be voted on by AMC's board of directors and the Wisconsin legislature.

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Porsche, Isuzu search for extra brands to sell in U.S.

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS, Nev. — American Isuzu Motors is leaning toward a $30,000-$35,000 luxury European car to sell as Isuzu's U.S. flagship by 1988 instead of finding a low-wage country to supply entry-level vehicles.

Meanwhile, Porsche Cars North America has narrowed its search for a foreign manufacturer that would sell its own brand of vehicles through U.S. Porsche dealers to "five or six countries," President John Cook said.

American Isuzu is currently talking to manufacturers in five countries — one in eastern Europe, three in western Europe and one in Asia — about both low- and high-end vehicles, said Senior Vice President Jack Reilly.

"The products run the gamut from entry-level to mid-$30,000 luxury stuff and are available in either 1988 or 1989," he said during the National Automobile Dealers Association convention.

Reilly is leaning toward either a luxury sedan or luxury performance car because he expects an entry-level glut. He is trying to swing dealers to his perspective, although he said they were "enthusiastic" about importing a non-Japanese model to bolster shipments from parent Isuzu Motors Corp. and future U.S.-assembled trucks from the Isuzu-Subaru joint-venture plant in Indiana.

About 40 percent, most big dealers, favor the high-end approach while most smaller Isuzu dealers, typically duals with larger-volume, upscale domestic or import line, want a traffic-building, inexpensive car, he said.

An upscale model is "one you can make a styling distinction on, and there is less fear of intense competition and bigger margins," he added. Even Isuzu's small dealer network could sell 5,000 to 7,000 units annually, and an image car could improve Isuzu's low public awareness, he said. Currently, only 2.7 percent of all new-car buyers consider Isuzu and only 3 percent remember Isuzu without prompting, despite a national advertising budget of $42 million, internal research shows.

Both Porsche Cars North America and American Isuzu are searching for foreign manufacturers of vehicles not currently sold here. Both are offering help in U.S. federal certification and engineering from the parent companies, Japan's Isuzu Motors and West Germany's Porsche AG.

Isuzu wants to put its own label on its imports. Porsche is looking for 20,000 to 70,000 units annually that would be sold under the other company's label by some or all of Porsche's 322 U.S. dealers.

The pool that both companies are fishing has grown steadily smaller as more overseas manufacturers affiliate with U.S. automakers or set up their own dealer networks.

RECREATION ON WHEELS

Recreational Vehicle Wholesale Deliveries

	November 1986	November 1985	% change	11 months 1986	11 months 1985	% change
Travel trailers	5,000	4,500	+ 11.1	80,700	78,800	+ 2.4
Folding camping trailers	3,000	2,200	+ 36.4	33,100	33,500	- 1.2
Truck campers	500	400	+ 25.0	6,900	6,600	+ 4.5
Towable RV total	8,500	7,100	+ 19.7	120,700	118,900	+ 1.5
Conventional (type A)	2,700	2,400	+ 12.5	30,700	31,800	- 3.5
Van Campers (type B)	500	400	+ 25.0	5,500	6,200	-11.3
Chopped vans (all)	1,900	1,800	+ 5.6	26,200	27,300	- 4.0
Motor home total	5,100	4,600	+ 10.9	62,400	65,300	- 4.4
Van conversions	11,200	11,800	- 5.1	169,800	151,900	+11.8
TOTAL ALL RVs	24,800	23,500	+ 5.5	352,900	336,100	+ 5.0

Source: Recreational Vehicle Industry Association.

RV shipments climb 5% for November, 11 months

Wholesale shipments of recreational vehicles continued to rebound in November.

The Recreational Vehicle Industry Association reported 24,800 shipments, up 5.5 percent from 23,500 deliveries in November 1985.

For the first 11 months of 1986, the industry shipped 352,900 RVs, up 5.0 percent from 336,100 shipped during the same period in 1985.

While the van conversion segment was well ahead of its 1985 year-to-date performance, it was the only category to report lower November shipments than a year earlier.

In November 1986, van converters shipped 11,200 units, 5.1 percent fewer than a year earlier.

For the January-November period, they shipped 169,800 units, 11.8 percent more than for the same period in 1985.

Deliveries of towable RVs and motor homes have been on a strong rebound, after being down earlier in the year.

Manufacturers shipped 8,500 towables in November, 19.7 percent more than in November 1985. During the first 11 months of the year, they shipped 120,700 towables, a 1.5 percent increase over the same period in 1985.

Similarly, motor home shipments of 5,100 in November were up 10.9 percent from a year earlier. For the first 11 months, shipments totaled 62,400 and were off 4.4 percent from the same period in 1985.

The Index of Consumer Sentiment fell slightly to 91.4 in November but still remains quite high, the RVIA reported.

The Index was compiled by the University of Michigan's Survey Research Center. It polled consumers' feelings about the outlook for the U.S. economy in 1987.

Magnum creates a Ford 'Suburban'
Magnum Motor Coach, Sturgis, Mich., created this "Suburban-type" vehicle from Ford's one-ton, F-350 heavy-duty Crew Cab chassis to compete against popular Chevrolet/GMC Suburbans. It can tow 12,500 pounds and seat five to eight people. Ford doesn't offer anything comparable.

Winnebago plans low-priced RV

Chevy chassis, single wheels and a price under $20,000

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ATLANTA — Winnebago Industries, of Forest City, Iowa, is developing a new lower-priced Class C motor home and is pushing sales of its small motor homes in an effort to reach first-time buyers.

It also has begun discussions with a number of regional van customizers as part of an effort to expand its customizing operations into other areas of the country, according to a company official.

Bryan A. Hays, vice president sales/marketing for Winnebago Industries, said that the motor home market has been maturing.

The industry is still selling the same number of vehicles every year but in a different mix.

Ten years ago, it was an infant industry. Everyone was a first-time buyer. They all bought new RVs, Hays pointed out.

Now, it's a mature industry, selling 1.2 used vehicles for every new one.

Ten years ago entry-level buyers were purchasing small motor homes because of price. Today, they're buying used vehicles, Hays said.

"Price has taken a lot of new-vehicle buyers out of the market," he added. "If there's any growth in the market (in 1987), it will be in lower-priced new vehicles and used RVs."

For the entry-level buyer, Winnebago is developing a new Class C model with single wheels, built on a Chevrolet chassis. The company hopes to retail it for less than $20,000.

It will be positioned as Winnebago's entry-level model against van campers typically costing $18,000 to $20,000.

The average price of a motor home is about $40,000, Hays said, calling it "a lot of money, particularly for a discretionary item." Typically, buyers are 55 and older.

Winnebago also is trying to capture a younger buyers with its small Lasharo and Phaser models.

Hays said the company's biggest fixed cost is the chassis, which is a price it can't control. But the escalating competition among Ford, John Deere and Chevrolet has reduced chassis prices and has been a benefit to the industry, he added.

The new chassis from Asia Smith, however, doesn't have enough gross vehicle weight strength to satisfy Winnebago's needs, Hays said.

He said insufficient GVW is a problem inherent in all of today's chassis.

"People want more bells and whistles (equipment) on their vehicles. That adds to the vehicle's weight and reduces its payload capacity," Hays pointed out.

In that respect, Deere's chassis, which has almost 1,000 pounds more GVW than those of major competitors, is well positioned in the market, Hays added.

Winnebago is also still interested in expanding its van conversion operation.

Its goal is to increase its current volume of 600 to 700 units a year to 1,200 to 1,400 units by early 1988.

First-time buyers happy, RVIA poll finds

RESTON, Va. — The average first-time recreational vehicle buyer is married, 49 years old, owns his own home and has a household income of just under $40,000.

Those are findings of a study conducted by Burston-Marsteller for the Recreational Vehicle Industry Association.

First-time buyers purchased vehicles to camp and travel, and they are typically happy with what they've bought, the study found.

The research findings are in a report entitled "Understanding First-Time Recreation Vehicle Buyers," written by David Michaelson, associate director of research for Burston-Marsteller.

The first-time buyer is more likely to own his or her own home, be married and have a smaller family than general members of the U.S. population, according to the study. He or she is also older, has a higher income and better education than most Americans.

The survey said the average age of first-time motor home owners is 53.7 years, while buyers of folding camping trailers are typically the youngest first-time RV buyers, with an average age of 41.5 years.

Owners of new motor homes have the highest average annual income of the first-time RV buyers: $45,300. Travel-trailer owners have the lowest incomes, averaging $36,000.

Overall, 58 percent of first-time owners purchased a used product, particularly the older, retired buyers.

Owners of new RVs who started with a used unit generally do not upgrade the class of RV when they later buy a new model. The overwhelming majority purchase the same type of unit again.

Some 99 percent of first-time buyers of RVs are enthusiastic about the lifestyle.

An analysis of their purchase decisions shows that 33 percent typically go to a dealer to get information about recreational vehicles; 25 percent go to a friend or neighbor. Only 12 percent go to shows to learn about RV products, and just 11 percent rent prior to buying.

The final purchase decision is influenced by two key factors: floor plans, which are particularly important to motor home and travel trailer buyers; and built-in features, which are particularly important to travel trailer and folding camping trailer buyers.

Generally, floor plans were most important to 25 percent of respondents; built-in features to 23 percent of respondents; construction to 10 percent of respondents; overall size to 9 percent of respondents and cost of purchase to only 6 percent of respondents.

Regardless of vehicle type, the decision to buy is typically made by both husband and wife.

In giving their reasons for making the purchase, 36 percent of the buyers said camping; 27 percent said travel. Less frequently mentioned were enjoyment of the outdoors, economy, convenience, benefit to children and retirement.

Some 95 percent of first-time buyers said they were "very" or "somewhat" satisfied with their purchase.

Typically, those who said they were disappointed cited structural or mechanical defects in the vehicle, rather than disenchantment with the lifestyle.

Overall, 40 percent of first-time buyers experienced some problems with buying or operating their RV.

Some 65 percent of buyers said convenience was the most significant benefit of owning an RV. In most cases, that means being able to go where they want and when they want with all the comforts of home.

Van converter, dealer taking warranty dispute to court

RV TRENDS

JOSEPH BOHN

It's always unfortunate when a recreational vehicle company gets into a dispute with one of its dealers because often everyone, including the customer, loses out.

Don Mallon Chevrolet, of Norwich, Conn., and Jet Force Van Conversions, of Nappanee, Ind., are going into litigation over a warranty dispute.

Donald R. Mallon, dealership president, notified 36 of his Jet Force customers that he had stopped performing "further warranty work on (or replacement of) any conversion materials or components which may be required and should be covered under" Jet Force's warranty."

Mallon informed customers that over a several-month period his dealership had "done considerable warranty work, replaced TVs, radios and other costly Jet Force components" without reimbursement from Jet Force and would no longer be doing such warranty work.

Arthur Bishop, president of Jet Force, said that some of Mallon's claims were for vehicles that were out of warranty, were for things not covered or were simply exaggerated in their reimbursement fees.

Jet Force has 213 dealers, customized about 1,400 vans last year and adheres to the Recreational Vehicle Industry Association's standards for van conversions.

Bishop said he was mainly concerned about customers who had bought his vans from Mallon.

He said that Mallon had not given him their names. And unless they had filled out and sent in warranty cards to him, he had no way of knowing who they were.

Bishop said that any customer who contacted him or any customer that he could track down would have his warranty work taken care of by another of the customizer's nearby dealers, Cardinal Buick in Manchester, Conn.

Bishop said he felt that any differences between him and Mallon should have been settled privately and should not have involved the customers.

He said he felt that by airing them publicly, Mallon had hurt himself as much as Jet Air because customers wouldn't be very likely to buy another vehicle from Mallon.

Both parties claimed they tried to discuss the matter.

Mallon claimed that Jet Force ignored his phone calls and letters. Bishop claimed that Mallon simply "screamed and yelled on the phone and became so irate that he hung up on me."

Regardless of who turns out to be right or wrong, the dispute will hurt both parties and, in a general way, the larger industry of which they are a part.

Customers typically don't care whose fault it is. All they really care about is the inconvenience an incident like this causes them or the money its costs them. They end up with a discolored view of dealers, customizers and customized vans generally.

AUCTION DATES

American Motors

Feb. 11 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Feb. 12 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Feb. 13 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Feb. 17 — D-A Auto Auction, New Stanton, Pa., and Aptco Auto Auction, Taylor, Mich.

Feb. 18 — Minneapolis Auto Auction, Plymouth, Minn., and Kansas City Auto Auction, Kansas City, Mo.

Feb. 19 — Evansville Auto Auction, Evansville, Ind., and Todd Auto Auction, Telford, Pa.

Feb. 24 — Statesville Auto Auction, Statesville, N.C.

Feb. 25 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Chrysler Corp.

Feb. 10 — Dallas Auto Auction, (special sale), Grand Prairie, Texas; Aptco Auto Auction, Taylor, Mich.; and NuCarPrep System, Santa Fe Springs, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Feb. 11 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Boaz, Ala.; and South Seattle Auto Auction, Kent, Wash.

Feb. 12 — Fredericksburg Auto Auction, Fredricksburg, Va.

Feb. 13 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Feb. 11 — Concord Auto Auction, Acton, Mass.; Salt Lake Auto Auction, Salt Lake City; Brasher's Southern California Auto Auction, Fontana, Calif.; Columbus Fair Auto Auction, Obetz, Ohio; and Atlanta Auto Auction, Red Oak, Ga.

Feb. 12 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

Feb. 17 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 18 — Lakeland Auto Auction, Lakeland, Fla.

Feb. 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Feb. 24 — South Seattle Auto Auction, Kent, Wash.

Feb. 25 — Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; and Brasher's Southern California Auto Auction, Fontana, Calif.

Feb. 26 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; Floyd Hauhe Auto Auction, Bridgeton, Mo.; and Albuquerque Auto Auction, Albuquerque, New Mexico

General Motors

Feb. 10 — Denver Auto Auction, Englewood, Colo.

Manheim promotes

ATLANTA — Darryll M. Ceccoli has been promoted to executive vice president of Manheim Auctions. He had served as vice president — operations since 1982. Manheim, a division of Cox Enterprises Inc., operates 17 auto auctions.

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$12,675	$13,158	$ 00
1986	$11,022	$11,481	$11,149
1985	$7,079	$7,054	$8,144
1984	$6,120	$5,811	$6,142
1983	$4,909	$4,995	$5,386
1982	$3,686	$3,599	$4,141
1981	$2,527	$2,614	$3,177
1980	$2,012	$1,997	$2,349
Overall Average	$5,587	$5,129	$5,181

Feb. 11 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Brasher's Auto Auction, Fontana, Calif.; and Northstar Auto Auction, Shakopee, Minn.

Feb. 12 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Florida Auto Auction of Orlando, Fla.

Feb. 17 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

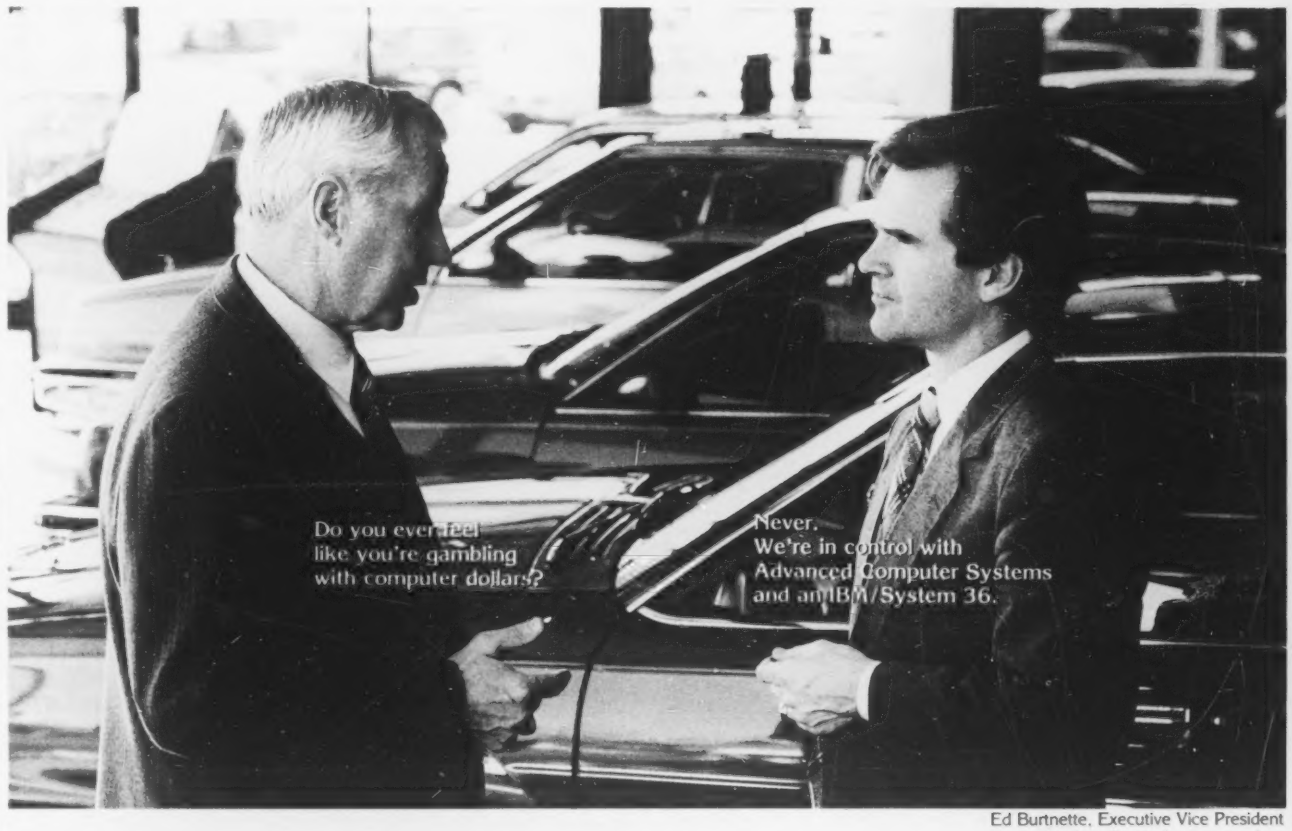
Feb. 18 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Used Car Sales
Auction Averages

February to date 1987	$5,587
Month ago	$5,129
Year ago	$4,729

Limited-edition GNX by ASC and McLaren

The GNX, based on the 1987 Buick Grand National, will be available this summer. The car will feature modification of the turbocharged, intercooled 3.8-liter V-6 engine used in the Grand National, as well as special wheels and tires, suspension and exhaust system modifications, analog instrument cluster and functional body modifications. A total of 500 GNX models will be offered by the Limited-Edition Vehicles Group of Automobile Specialty Co., Southfield, Mich., in cooperation with McLaren Engines, Livonia, Mich.



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SALES

DOMESTIC CAR SALES

	Jan. 21, to Jan. 31, 1987	Same Period, 1986	Jan. 1987	Same Month, 1986	Jan. 1 to Jan. 31, 1987	Same Period, 1986
Alliance	0	0	2,063	4,257	2,063	4,257
Encore	0	0	0	1,210	0	1,210
Total Renault	0	0	2,063	5,467	2,063	5,467
Eagle	0	0	358	922	358	922
Total AMC	0	0	358	922	358	922
AMERICAN MOTORS	801	3,289	2,421	6,389	2,421	6,389
Horizon	2,680	2,718	6,082	6,108	6,082	6,108
Sundance	1,970	0	4,294	0	4,294	0
Turismo	574	1,501	1,205	3,318	1,205	3,318
Reliant	2,434	4,890	5,915	14,351	5,915	14,351
Caravelle	763	1,007	1,702	2,391	1,702	2,391
Plymouth	212	481	432	911	432	911
Total Plymouth	8,633	10,597	19,630	27,079	19,630	27,079
Laser	242	734	528	2,204	528	2,204
LeBaron K	1,435	3,456	2,807	7,394	2,807	7,394
LeBaron J	767	0	1,531	0	1,531	0
LeBaron GTS	922	2,061	2,026	4,536	2,026	4,536
Fifth Avenue	1,148	2,375	2,876	5,155	2,876	5,155
New Yorker	1,022	1,670	2,038	3,958	2,038	3,958
Total Chrysler	5,536	10,296	11,806	23,247	11,806	23,247
Omni	2,452	2,370	5,074	5,242	5,074	5,242
Shadow	1,875	0	4,101	0	4,101	0
Charger	662	1,534	1,364	3,549	1,364	3,549
Daytona	447	906	888	2,701	888	2,701
Aries	2,327	3,420	5,788	8,208	5,788	8,208
Lancer	848	1,372	2,000	2,933	2,000	2,933
Diplomat	352	776	855	1,689	855	1,689
Dodge 600	830	1,618	1,947	3,547	1,947	3,547
Total Dodge	9,793	11,996	22,017	27,869	22,017	27,869
CHRYSLER CORP.	23,962	32,889	53,453	78,195	53,453	78,195
EXP	0	0	0	0	0	0
Escort	7,572	11,189	15,977	30,145	15,977	30,145
Mustang	4,723	4,659	9,766	11,389	9,766	11,389
Tempo	6,727	9,513	14,126	24,559	14,126	24,559
Taurus	10,178	3,588	22,758	8,203	22,758	8,203
Thunderbird	2,869	5,112	6,971	13,165	6,971	13,165
LTD	0	2,087	0	5,166	0	5,166
Crown Victoria	2,584	3,636	6,255	8,976	6,255	8,976
Total Ford Division	34,653	39,784	75,853	101,603	75,853	101,603
Lynx	1,303	2,364	2,602	6,104	2,602	6,104
Topaz	1,845	2,171	3,874	5,615	3,874	5,615
Sable	2,429	1,417	5,262	3,454	5,262	3,454
Cougar	2,385	4,132	5,017	10,297	5,017	10,297
Capri	0	364	0	891	0	891
Marquis	0	942	0	2,302	0	2,302
Grand Marquis	2,585	3,176	5,926	7,600	5,926	7,600
Total Mercury	10,547	14,566	22,681	36,263	22,681	36,263
Continental	424	638	957	1,457	957	1,457
Lincoln	3,588	4,118	7,153	8,697	7,153	8,697
Mark VII	885	601	1,626	1,360	1,626	1,360
Total Lincoln	4,897	5,357	9,736	11,514	9,736	11,514
Total L-M Division	15,444	19,923	32,417	47,777	32,417	47,777
FORD MOTOR COMPANY	50,097	59,707	108,270	149,380	108,270	149,380
Skyhawk	986	1,748	2,345	4,079	2,345	4,079
Skylark	0	0	0	0	0	0
Somerset Regal	1,996	4,975	4,472	11,487	4,472	11,487
Century	4,468	8,910	10,416	20,873	10,416	20,873
Regal	1,030	3,638	2,888	6,779	2,888	6,779
LeSabre	3,434	1,936	9,330	4,579	9,330	4,579
Electra	2,277	6,196	5,187	10,894	5,187	10,894
Riviera	1,672	597	2,824	1,466	2,824	1,466
Total Buick	15,863	28,000	37,462	60,157	37,462	60,157
Cimarron	347	593	920	1,384	920	1,384
Seville	1,369	551	2,953	1,248	2,953	1,248
Cadillac	4,676	8,176	12,472	18,324	12,472	18,324
Eldorado	615	830	2,512	1,829	2,512	1,829
Total Cadillac	7,007	10,150	18,857	22,785	18,857	22,785
Chevette	1,805	1,847	5,878	5,625	5,878	5,625
Nova	2,083	5,227	5,478	14,038	5,478	14,038
Cavalier	10,459	14,056	22,259	38,772	22,259	38,772
Citation	0	93	0	223	0	223
Camaro	3,098	3,779	7,105	9,882	7,105	9,882
Celebrity	10,462	12,242	21,663	36,474	21,663	36,474
Corsica/Beretta	416	0	706	0	706	0
Monte Carlo	1,344	2,846	4,199	6,891	4,199	6,891
Chevrolet	3,861	6,333	11,479	15,402	11,479	15,402
Corvette	562	741	1,559	1,979	1,559	1,979
Total Chevrolet	34,091	47,164	80,326	129,286	80,326	129,286
Firenza	607	893	1,426	2,677	1,426	2,677
Calais	2,767	2,871	6,492	7,635	6,492	7,635
Cutlass Ciera	7,835	11,070	18,076	31,634	18,076	31,634
Cutlass Supreme	2,725	8,026	6,769	22,666	6,769	22,666
Olds 88	4,479	4,467	10,838	11,582	10,838	11,582
Olds 98	1,743	5,635	4,692	12,768	4,692	12,768
Toronado	337	475	1,210	1,223	1,210	1,223
Total Oldsmobile	20,493	33,437	49,503	90,185	49,503	90,185
Fiero	1,335	2,592	2,803	6,123	2,803	6,123
1000	410	1,288	910	2,049	910	2,049
Sunbird	3,129	4,917	5,819	11,448	5,819	11,448
Firebird	1,576	3,546	3,788	7,335	3,788	7,335
Grand Am	7,853	7,499	15,840	15,544	15,840	15,544
6000	4,571	7,731	9,996	16,882	9,996	16,882
Bonnneville./Gr. Prix	568	1,879	1,326	4,687	1,326	4,687
Grand Prix	0	1,976	0	4,708	0	4,708
Parisienne/Bonn.	2,753	2,145	5,877	5,164	5,877	5,164
Total Pontiac	22,195	33,573	46,359	73,940	46,359	73,940
GENERAL MOTORS	99,649	152,324	232,507	376,353	232,507	376,353
VOLKSWAGEN	1,495	3,491	2,819	6,321	2,819	6,321
HONDA	13,764	7,253	19,898	13,263	19,898	13,263
NISSAN	3,455	2,749	6,569	6,003	6,569	6,003
TOYOTA	946	0	1,741	0	1,741	0
DOMESTIC TOTAL	194,169	261,702	427,678	635,904	427,678	635,904
IMPORT TOTAL			197,941	237,288	197,941	237,288
INDUSTRY TOTAL			625,619	873,192	625,619	873,192

January U.S. car sales tumble

Stormy East Coast weather, December sales boom blamed

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

"I couldn't believe it, but they were here whenever we were opened."

That was one car salesman's reaction to fortitude demonstrated by customers during late January snowstorms on the East Coast.

However, such doggedness as that reported by Sales Manager Kevin Askew, of Brown's Nissan in Fairfax, Va., did not keep domestic new-car sales from going through the bottom last month. They fell 32.74 percent below the year-earlier total.

It was the worst year-to-year drop since May 1980, when sales plunged 37.46 percent below the total for May 1979.

Sales last month of cars built in the United States totaled 427,678, dramatically below the record 694,602 delivered in January 1965, and substantially under the 635,904 cars sold in January, 1986.

Import-car sales also suffered in January, falling 16.58 percent to 197,941 units from 237,288 the year before.

Where the market was, Jan. 1987

	Total Sales	Pct. of Total
SUBCOMPACT	88,533	14.15%
COMPACT	88,037	14.07%
INTERMEDIATE	154,095	24.63%
STANDARD	50,992	8.15%
LUXURY	46,021	7.36%
IMPORT	197,941	31.64%
TOTAL	625,619	100.00%

Combined sales of domestic and imported cars totaled 625,619 units, down 25.27 percent from the 837,192 sold in January 1986.

Snow, ice and stuck traffic in a series of January storms slowed or interrupted business for Eastern dealers from the pines to the palms.

Brown's Nissan and other points in the Mid-Atlantic states, for example, were shut completely for some four days or more as the vicious weather closed in and stayed.

The National Weather Service said no part of the country was colder than normal last month, but it called the weather on the East Coast and in the Southeast "extremely stormy."

There were other factors figuring in the sales story. For example, Claude N. Moore, vice president in charge of the General Motors Customer Sales and Service Staff, said:

"While sales in January reflected the aftermath of the sales tax prebuying in December, we are optimistic about sales prospects for February and March.

"The variety of attractive customer incentives now offered by GM divisions, coupled with the longer-term affirmation of our product quality demonstrated by GM's greatly improved, 6-year/60,000-mile passenger-car warranty, underscore our expectations for improved sales."

Chrysler Motors' Tom Pappert, group vice president — sales, pointed to incentives already in the market. "We announced incentives Jan. 27 and there was an immediate response in weekend sales," he said. "We're looking forward to a stronger February."

Louis E. Lataif, vice president, sales operations at Ford North American Automotive operations, pointed to 1986 incentives in discussing a decline this year.

"Last year, we offered significant incentives during the full month of January," he said. "This year, tax laws pulled many January sales into December and our new incentives were in effect on the last few days of the month. Considering those circumstances, we did not expect sales to match those of last year," Lataif said.

The Ford officer called the year-to-year sales decline unavoidable but was able to point to some good news that developed over the course of the month.

"We saw a steady increase in sales through January. In the first 10 days of the month, we were selling 3,042 domestic cars a day and in the final 10-day period, sales came in at 5,010 a day. We expected some increase during the month, but that 65-percent increase was unusual," Lataif said.

In spite of that improvement noted by the Ford executive,sales of U.S.-built cars plunged in the final 10-day selling period of January. They were 25.80 percent below year-earlier levels, according to Automotive News analysis of manufacturers' reports.

Only Honda and Nissan reported year-to-year gains.

Honda sales were up 89.76 percent, largely reflecting improved availability of product. The company in July started up a second assembly line at its plant in Marysville, O. The added facilities are utilized in the assembly of the little Honda Civic.Nissan had a gain of 25.59 percent in the 10 days.

American Motors dealers sold 75.64 percent fewer cars in January than they did a year before. Volkswagen had a 57.17 percent dip in sales and General Motors had a fall of 34.58 percent. Chrysler reporteda decline of 27.14 percent.Ford Motor Co. had a decrease of 16.09 percent in the closing 10-day reporting period of January.

Toyota reported sales of 946 units in the 10-day period with no year-earlier figure for comparison purposes.

There were 10 selling days in the final period.

U.S. CAR SALES BY MARKETING UNITS

	Jan., 1987	Jan., 1986	1 Mon., 1987	1 Mon., 1986
Chevrolet	90,254	139,267	90,254	139,267
Ford	75,853	101,603	75,853	97,373
Oldsmobile	49,503	90,185	49,503	90,185
Toyota	32,787	45,285	32,787	45,285
Pontiac	46,359	73,940	46,359	73,940
Buick	37,462	60,157	37,462	60,157
American Honda	46,047	50,281	46,047	50,281
Nissan	42,536	43,340	42,536	43,340
Dodge	26,311	34,034	26,311	34,034
Mercury	23,091	37,338	23,091	37,338
Plymouth	23,455	32,785	23,455	32,785
Chrysler	12,390	23,247	12,390	23,247
VWoA	10,465	21,939	10,465	21,939
Hyundai	18,006	—	18,006	—
Cadillac	18,857	22,785	18,857	22,785
Mazda	11,043	18,993	11,043	18,993
Subaru	8,998	16,740	8,998	16,740
Lincoln	9,736	11,514	9,736	11,514
Volvo	12,619	12,080	12,619	12,080
BMW	5,013	6,044	5,013	6,044
Mercedes	6,124	7,692	6,124	7,692
AMC-Renault	2,421	6,739	2,421	6,739
Saab	3,638	3,164	3,638	3,164
Mitsubishi	2,326	4,090	2,326	4,090
Yugo	4,174	2,834	4,174	2,834
Porsche	1,654	1,733	1,654	1,733
Jaguar	1,057	1,011	1,057	1,011
Isuzu	1,950	2,884	1,950	2,884
Peugeot	919	959	919	959
Alfa Romeo	511	404	511	404
Maserati	60	125	60	125
TOTAL	625,619	873,192	625,619	873,192

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Jan., 1987	Jan., 1986	1 Mon., 1987	1 Mon., 1986
Acura	5,667	—	5,667	—
Alfa Romeo	511	404	511	404
Audi	2,072	5,113	2,072	5,113
BMW	5,013	6,044	5,013	6,044
Chevrolet Spectrum	6,056	4,763	6,056	4,763
Chevrolet Sprint	3,872	5,218	3,872	5,218
Chrysler Conquest	584	—	584	—
Dodge Colt	3,207	4,687	3,207	4,687
Dodge Conquest/Vista	1,087	1,478	1,087	1,478
Honda	20,482	37,018	20,482	37,018
Hyundai	18,006	—	18,006	—
Isuzu	1,950	2,884	1,950	2,884
Jaguar	1,057	1,011	1,057	1,011
Maserati Biturbo	60	125	60	125
Mazda	11,043	18,993	11,043	18,993
Mercedes-Benz	6,124	7,692	6,124	7,692
Merkur	410	1,075	410	1,075
Mitsubishi	2,326	4,090	2,326	4,090
Nissan	35,967	37,337	35,967	37,337
Peugeot	919	959	919	959
Plymouth Colt	2,812	4,282	2,812	4,282
Plymouth Conquest/Vista	1,013	1,424	1,013	1,424
Porsche	1,654	1,733	1,654	1,733
Renault	0	350	0	350
Saab	3,638	3,164	3,638	3,164
Subaru	8,998	16,740	8,998	16,740
Toyota	31,046	45,285	31,046	45,285
Volkswagen	5,574	10,505	5,574	10,505
Volvo	12,619	12,080	12,619	12,080
Yugo	4,174	2,834	4,174	2,834
TOTAL	197,941	237,288	197,941	237,288

PRODUCTION

U.S. CAR	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
AMERICAN MOTORS	800	0	754	3,091	2,823	3,891
Renault Total	800	0	754	3,091	2,823	3,891
Alliance	800	0	754	3,091	2,378	3,891
Encore	0	0	0	0	445	0
CHRYSLER MOTORS	23,500	29,513	27,704	106,435	166,153	125,095
Plymouth Total	9,600	7,999	10,555	40,464	47,478	48,317
Horizon	3,200	3,083	4,029	15,747	17,094	18,258
Sundance	2,100	0	2,499	9,105	0	10,824
Reliant	3,000	3,474	2,678	10,793	21,905	13,304
Caravelle	1,300	1,186	1,349	4,819	7,072	5,931
Gran Fury	0	256	0	0	1,407	0
Chrysler Total	5,100	10,832	5,844	22,752	60,840	26,862
Laser	0	1,102	0	0	5,657	0
LeBaron K	1,500	2,678	1,593	6,778	14,990	7,970
LeBaron J	1,500	0	1,571	5,942	0	7,167
LeBaron GTS	600	2,513	717	3,029	12,934	3,474
New Yorker/E-Class	1,500	1,424	1,963	7,003	8,675	8,251
Fifth Avenue	0	3,115	0	0	18,584	0
Dodge Total	8,800	10,682	11,305	43,219	57,835	49,916
Daytona	700	998	782	2,976	5,631	3,551
Omni	2,800	3,112	3,551	13,664	17,045	15,860
Shadow	1,800	0	2,284	8,374	0	9,801
Aries	2,300	2,432	2,575	10,529	13,184	12,208
Dodge 600	800	1,666	1,318	4,906	9,274	5,458
Lancer	400	2,037	795	2,770	10,341	3,038
Diplomat	0	437	0	0	2,360	0
FORD MOTOR	44,235	38,937	43,835	169,248	188,331	213,483
Ford Division	30,358	26,510	29,278	115,056	127,440	145,414
Escort	7,632	8,880	7,485	29,558	42,713	37,190
Mustang	5,300	4,204	4,532	18,181	21,830	23,481
Tempo	4,161	4,652	4,113	16,386	23,409	20,547
Taurus	10,535	5,086	10,107	40,218	19,952	50,753
Thunderbird	2,730	3,686	3,041	10,713	19,536	13,443
L-M Division	13,877	12,427	14,557	54,192	60,891	68,069
Mercury Total	10,180	8,149	10,487	38,476	40,703	48,656
Lynx	1,501	1,374	1,255	4,962	7,874	6,463
Capri	0	386	0	0	2,344	0
Topaz	1,317	1,506	1,389	5,402	7,813	6,719
Cougar	4,065	2,422	4,588	16,027	12,847	20,092
Sable	3,297	2,461	3,255	12,085	9,825	15,382
Lincoln Total	3,697	4,278	4,070	15,716	20,188	19,413
Continental	364	478	406	1,577	2,376	1,941
Lincoln	2,774	3,209	3,052	11,786	15,150	14,560
Mark VII	559	591	612	2,353	2,662	2,912
GENERAL MOTORS	90,651	95,451	85,350	298,160	524,615	389,162
Buick Total	15,236	13,304	14,254	55,425	86,409	70,662
Skyhawk	2,227	1,699	0	4,093	9,951	6,321
Century	4,480	4,431	4,372	16,597	29,849	21,077
Regal	1,142	0	1,830	3,673	4,099	4,815
Somerset/Skylark	1,775	1,829	2,267	8,897	11,251	10,672
LeSabre (fwd)	2,259	1,681	1,820	8,556	8,890	10,815
LeSabre/Electra (rwd)	485	228	429	812	1,270	3,070
Electra (fwd)	2,534	3,046	2,729	9,611	18,876	10,372
Riviera	334	390	807	3,186	2,223	3,520
Cadillac Total	6,913	6,937	7,894	28,976	33,680	35,889
Cimarron	420	539	533	2,163	2,265	2,583
Allante	50	0	50	167	0	217
Brougham (rwd)	1,820	1,960	1,753	6,537	6,984	8,357
DeVille (fwd)	4,000	3,738	3,978	13,933	20,408	17,933
Eldorado	229	406	377	1,788	2,360	2,017
Seville	394	294	1,203	4,388	1,663	4,782
Chevrolet Total	32,623	33,135	31,132	100,706	184,156	133,680
Chevette	0	2,589	0	0	14,272	0
Camaro	2,365	5,000	3,037	6,122	26,858	8,987
Cavalier	7,000	9,399	7,052	27,201	51,311	34,552
Celebrity	8,260	7,203	8,496	32,532	33,410	40,792
Corsica/Beretta	6,977	0	4,732	15,530	0	22,507
Monte Carlo	1,608	2,517	1,910	3,707	14,401	5,315
Chevrolet	5,273	6,103	5,256	13,029	43,116	18,302
Corvette	640	324	649	2,585	788	3,225
Oldsmobile Total	18,039	22,736	15,225	56,944	127,735	74,981
Firenza	1,200	1,117	0	2,337	5,461	3,535
Calais	3,025	3,387	2,631	10,297	17,102	13,322
Cutlass Ciera	4,840	7,266	4,265	15,956	37,409	20,796
Cutlass Supreme	1,270	2,173	355	709	22,304	1,979
88 (fwd)	4,988	5,160	5,183	17,053	23,926	22,041
88 (rwd)	405	440	359	1,702	3,383	2,107
Olds 98	2,078	2,902	1,826	6,564	16,552	8,642
Toronado	233	291	606	2,326	1,598	2,559
Pontiac Total	17,840	19,339	16,845	56,109	92,635	73,950
Acadian*	0	430	0	0	970	0
Fiero	1,200	2,403	830	1,496	7,123	2,696
1000	0	686	0	0	3,416	0
Firebird	2,585	2,683	2,353	4,678	14,268	7,263
2000 Sunbird	2,680	3,035	2,812	8,488	15,494	11,168
Grand Am	6,240	4,368	5,595	21,005	23,611	27,245
6000	1,560	3,971	1,786	6,931	16,252	8,491
Bonneville	3,150	0	3,159	12,860	0	16,011
Safari/Parisienne	425	1,763	310	651	11,501	1,076
HONDA	7,315	3,794	7,360	28,351	20,044	35,666
Civic	3,086	0	2,981	11,437	0	15,880
Accord	4,229	3,794	4,379	16,914	20,044	19,786
NISSAN	2,920	1,796	2,922	11,722	10,680	14,642
NUMMI	4,000	2,970	4,039	16,288	12,040	20,288
Corolla	750	0	809	3,394	0	4,144
Nova	3,250	2,970	3,230	12,894	12,040	16,144
VOLKSWAGEN	2,000	1,468	1,947	5,928	8,599	7,928
Golf/GTI	1,750	1,468	1,697	5,178	8,599	6,928
Jetta	250	0	250	750	0	1,000
Total Cars, U.S.	175,421	173,929	173,911	639,223	933,285	810,155
Total Cars, Canada	21,450	20,014	20,941	74,603	108,664	96,053
N. American Cars	196,871	193,943	194,852	713,826	1,041,949	906,208
N. American Trucks	95,652	90,895	92,764	374,013	485,043	464,768
North American Cars and Trucks	292,523	284,838	287,616	1,087,839	1,526,992	1,370,976

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Auto production highest of year

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto production during January totaled 639,223, up 9.07 percent over December's 586,025 but down 15.68 percent from the year-ago month's 758,107.

Last week's scheduled auto output was the highest week so far this year.

Automakers' targeted production of 175,421 was slightly higher (0.87 percent) than the previous week's 173,911 and 0.86 percent more than the year-ago week's 173,929.

So far this year, 810,155 cars have been assembled, 13.19 percent below the 933,285.

Companies split last week's estimated production as follows: General Motors, 51.67 percent; Ford Motor Co., 25.22 percent; Chrysler Motors, 13.40 percent; Honda of America Manufacturing Inc., 4.17 percent; New United Motor Manufacturing Inc., 2.28 percent; Nissan Motor Manufacturing Co., U.S.A., 1.66 percent; Volkswagen of America, 1.14 percent; and American Motors, 0.46 percent.

Last week (Feb. 2), AMC cut production of its Renault Alliance and GTA models, built at its Kenosha, Wis., plant, from 300 a day to 160 a day.

The cutback is a result of sluggish sales and puts 500 workers on layoff until later this month when production of Chrysler's large rear-wheel-drive cars begin at the Kenosha facility.

GM scheduled Saturday (Feb. 7) overtime at three plants: Lansing, Mich.; Linden, N.J.; and Wilmington, Del.

Ford slated Saturday overtime at its Chicago and Dearborn, Mich., plants.

All Ford plants except Wixom, Mich., are scheduled for daily overtime this week (Feb. 9).

Saturday overtime was slated at Chrysler's Belvidere, Ill.; Newark, Del.; and Sterling Heights, Mich. Those plants are scheduled for daily overtime this week.

Truck output edges ahead of '86; year-to-date count is 384,848

This year's domestic truck production has inched past the total at this time in 1986.

So far this year, 384,848 trucks have been assembled, slightly higher (0.21 percent) than the 384,057 completed last year at this time.

Last week's targeted output of 78,015 was 1.16 percent more than the previous week's 77,117 and 8.38 percent more than the year-ago week's 71,983.

Truck production during January totaled 311,736. It was 32.78 percent more than December's 234,774 but 0.19 percent below the year-ago month's 312,358.

General Motors scheduled Saturday (Feb. 7) overtime at its Baltimore plant.

Ford Motor Co. slated Saturday overtime at its Wayne, Mich., and St. Louis truck plants.

All Ford truck plants are scheduled for daily overtime this week (Feb. 9).

Daily overtime is slated this week for Chrysler Motors' Warren, Mich., plant.

Auto production in Canada dips

Canadian auto production for January totaled 74,603, which was 10 percent below December's 82,894 and 14.45 percent below the 87,204 assembled in January 1986.

Last week, automakers pegged production at 21,450 cars, 2.43 percent more than the previous week's 20,941 and 7.17 percent more than the year-ago week's 20,014.

So far this year, 96,053 cars have been built, 11.61 percent below the 108,664 completed last year at this point.

Truck output of 62,277 units in January was 32.66 percent more than December's 46,943 but was 22.41 percent below last January's 80,269.

Truckmakers' scheduled production of 17,637 units last week was 12.72 percent more than the previous week's 15,647 but 6.74 percent below the year-ago week's 18,912.

For the year to date, 79,920 trucks have been assembled, 20.86 percent below the 100,986 built last year at this time.

CANADIAN CAR	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
AMERICAN MOTORS	150	0	152	605	1,200	755
FORD MOTOR	11,645	10,162	11,256	44,049	61,489	55,694
GENERAL MOTORS	9,280	9,627	9,183	28,647	44,788	37,927
HONDA	150	0	125	379	0	529
VOLVO	225	225	225	923	1,187	1,148
Total Cars, Canada	21,450	20,014	20,941	74,603	108,664	96,053

U.S. TRUCK☆	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
CHEVROLET	22,696	24,906	22,429	93,027	134,846	112,197
DODGE	5,000	0	4,666	18,657	0	22,889
FORD	32,904	30,059	32,116	129,193	157,302	162,097
GMC	7,605	8,054	7,700	29,881	40,155	37,597
NAVISTAR	1,280	1,490	1,595	6,206	7,943	7,486
JEEP	4,450	3,457	4,619	18,556	27,515	22,286
NISSAN	1,730	1,567	1,642	6,816	4,224	8,546
AM GENERAL*	50	50	50	200	272	250
MISCELLANEOUS*	2,300	2,400	2,300	9,200	11,800	11,500
Total Trucks, U.S.	78,015	71,983	77,117	311,736	384,057	384,848

CANADIAN TRUCK	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
AMERICAN MOTORS	625	0	635	2,468	0	3,093
CHRYSLER	8,964	9,099	8,163	34,617	48,654	43,572
FORD	3,648	3,231	3,370	12,898	19,150	16,576
GENERAL MOTORS	4,200	6,416	3,279	11,494	32,276	15,679
NAVISTAR	200	166	200	800	906	1,000
Total Trucks, Canada	17,637	18,912	15,647	62,277	100,986	79,920
N. American Trucks	95,652	90,895	92,764	374,013	485,043	464,768

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Fair trade bill drafted in Senate

By Helen Kahn and Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTERS

WASHINGTON — Lloyd Bentsen, D-Texas, and chairman of the Senate Finance Committee, has drafted a bill calling for strict enforcement of current trade laws and incentives to encourage American companies to be competitive.

At a press conference last Thursday to introduce the bill, some 60 senators joined as co-sponsors, more than half of them Republicans.

Bentsen's bill will not include a provision requiring import surcharges on products from countries with large trade surpluses, which would have meant higher prices for cars shipped from Japan and West Germany.

The bill does not pinpoint any country. Neither does it deal with particular industries, other than a special section encouraging agricultural exports.

Bentsen's bill renews presidential authority to negotiate trade agreements, though requiring consultation with Congress.

The bill would require tough responses to subsidies, dumping, and other market-distorting practices. Countries consistently engaged in such actions would receive special attention.

The bill also urges the President to negotiate with countries that peg their currencies to the dollar, such as Korea and Taiwan, to ensure they regularly adjust exchange rates.

Bentsen suggests, instead of protecting import-threatened industries and their workers, to encourage competition. Instead of raising protective tariffs or paying trade adjustment assistance to dislocated workers, industries should have to show an increase in productivity to qualify for import relief. Workers would have to accept retraining before getting cash assistance.

Bentsen spells out details of the worker relief program including length of time and maximum ceiling for retraining. He recommends a trust fund to pay for it, through an across-the-board import duty of not more than 1 percent.

Bentsen said he hoped to have the comprehensive bill to the Senate by July. House leadership promised to get it to the House floor by mid-April, even though it will be referred to seven House committees.

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February 16, 1987

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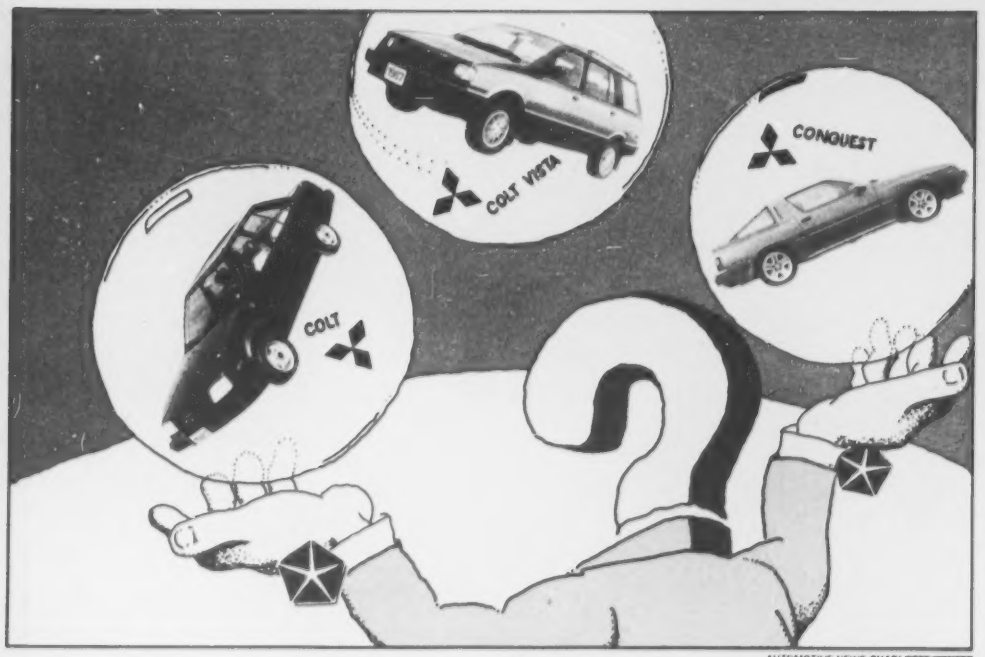

AUTOMOTIVE NEWS/CHARLOTTE WINTER

Selling rate rises to pare big stockpile

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

A steady stream of cars rolled out of U.S. assembly plants in January while retail deliveries remained lackluster. One result was a hefty increase in the number of cars in the pipeline between factory and consumer.

As of Feb. 1, there were 1,734,299 domestic cars in dealer stocks and in transit, a 105-day supply at the January selling rate. The figures were 1,506,557 and 58 days on Jan. 1.

But the situation is not as bad as those numbers indicate. The January selling rate was abnormally low because of the bad weather in the East and a letdown following a December surge of buying to take advantage of the sales-tax deduction.

January domestic-car sales of 427,678 were the lowest for any month since January 1982.

The selling rate improved as January moved along — improved warranties and equipment packages were added — and the improvement continued in the first 10 days of February. That means that the unwieldly stock is being whittled away both in terms of days's supply and the over-all total.

Here are the daily selling rates for the first four periods of 1987:

Jan. 1-10	13,467
Jan. 11-20	15,722
Jan. 21-31	19,417
Feb. 1-10	21,267

In the first 10 days of February, sales of domestic cars dipped from 1986 levels to 170,134 units, down 1.87 percent from 172,372 a year earlier and down even from the 194,169 sold in the last 10 days of January. But there were eight selling days in the February period and 10 in the final span of January. So, although the overall total was down, the daily selling rate increased.

During February's initial sales period, General Motors dealers delivered 90,652 units, off 9.00 percent from 99,621 the year before. Ford Motor Co. dealers sold 46,395 units, up 8.22 percent, from 42,870, and Chrysler Motors' sales were 21,744, off 1.66 percent from 22,113 a year earlier.

Honda sales in the period totaled 7,539, up 118.33 percent, from 3,453 in the first 10 days of February last year. Nissan reported a climb of 39.47 percent to 1,908 units from 1,368.

Volkswagen's unit sales fell 37.75 percent to 714 from 1,147 while American Motors declined 52.77 percent to 850 units from the 1,800 sold a year earlier. Toyota

see INVENTORIES, page 57

Chrysler ponders Mitsubishi role

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors' plunge into brand management for its domestic offspring has created a dilemma for its Japanese stepchild — the imports from Mitsubishi.

Chrysler is debating whether its Japanese imports should be folded into the domestic brand organization or remain a distinct operation. Discussions also have included examination of merchandising the Mitsubishi imports as a separate franchise.

In 1986, Chrysler Motors reorganized its marketing and product development groups to enhance individual identities for Chrysler, Plymouth and Dodge. The company links Dodge with performance, Plymouth with value and Chrysler with luxury.

"One debate that is going on is to what extent is it important, desirable or necessary to fold the management of the Mitsubishi products into the brand organization so that the vehicles imported for Plymouth and imported for Dodge are consistent with the rest of the franchise," said Bernard I. Robertson, Dodge general product manager.

"This would include both the development of the product itself, its specifications and its distribution.

"Since we created brand management, the brands such as Dodge may want and need control over everything that's sold through a Dodge store," said Robertson, who is responsible for advance product planning, programs and business management for all Dodge car lines.

He was interviewed during a recent press preview of the 1987 Dodge Daytona in Point Clear, Ala.

"How do you deal with managing a product array and an image-development process where somebody

see CHRYSLER, page 57

COMPUTERS

Megadealer trend fuels need for data systems

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

The prospective car buyer sits before a computer in the auto dealership. With the touch of a finger, he assembles the image of the car of his dreams on the computer screen — the exact model, engine, interior-exterior colors and optional equipment.

Another touch of a finger and he takes a full-motion video highway "test drive" — including simulation of such features as the car's intermittent windshield wipers and rear-window defogger.

That's not the sales tool of tomorrow. It's in some dealerships today.

It's part of a vast wave of computer technologies propelled by changes in the way cars are marketed in the United States. Consider this:

see COMPUTERS, page 38

AUTOMOTIVE NEWS/JOE WILSSENS

Computers as sales tools were hot topic at NADA convention

Domestic dealer total declines to 20,405; drop is 268 for year

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

Again in 1986, the number of the dealerships handling domestic makes of passenger cars took a tumble.

The annual Automotive News census found 20,405 domestic-car outlets on Jan. 1, down 268 from 20,673 doing business a year earlier. The loss was higher than in 1985, when 229 dealerships faded away.

Those declines followed two "up" years for the industry. The dealer total climbed slightly in 1983 and 1984, but those were the only advances during the last 30 years.

Chrysler Motors was the best performer in 1986 as it increased its dealer total for the fourth consecutive year. The company posted a gain of 20 outlets last year. Volkswagen also was on the plus side with a gain of one.

U.S.-CAR OUTLETS

1947	45,580	1968	27,784
1948	46,092	1969	27,486
1949	49,173	1970	27,071
1950	46,821	1971	26,126
1951	47,543	1972	25,621
1952	46,014	1973	25,441
1953	45,191	1974	25,349
1954	41,910	1975	24,980
1955	40,374	1976	24,453
1956	41,018	1977	24,268
1957	37,982	1978	24,147
1958	37,188	1979	24,051
1959	35,077	1980	23,379
1960	33,658	1981	21,772
1961	32,482	1982*	21,680
1962	31,331	1983**	20,799
1963	30,853	1984	20,841
1964	30,827	1985	20,902
1965	30,691	1986	20,673
1966	30,278	1987	20,405

Figures are as of Jan. 1.
*Jan. 1, 1982 and subsequent totals include VW.
**Jan. 1, 1983 and subsequent totals include Renault.
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Elsewhere, there were declines of 150 car dealerships for General Motors, 57 for Ford Motor Co. and

see CENSUS, page 56

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GM, importers win round in CAFE suit Page 3

GM's Smith outlines plans to save billions Page 4

Sudden acceleration puts NHTSA to 15-year test

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Recent publicity on the Audi 5000 series has thrust "sudden acceleration" into the limelight.

But the problem is not new. NHTSA has been investigating similar cases for almost 15 years. It has opened and closed nearly 50 cases during that time.

What happens when NHTSA believes some random incidents may be related?

When the agency receives any type of complaint, its procedure is to open what it calls a PE, or preliminary evaluation. If it finds reason to, the next step is an engineering evaluation (EA). The next designation is C, or case. It is at this stage that NHTSA issues notifications to the media.

If NHTSA believes it has found a "safety-related defect" — a term that exists in the language of the 1966 vehicle safety law — it calls a public hearing at which the manufacturer, NHTSA and any other interested party may testify.

If the findings reveal such a defect, NHTSA issues a recall order to the manufacturer. If the manufacturer refuses, NHTSA asks the Justice Department to enforce the recall by filing a civil suit in U.S. District Court in the District of Columbia. There is an eight-year statute of limitations for vehicles.

At any point during this procedure, a manufacturer may announce a voluntary recall.

NHTSA looks at four general kinds of "sudden acceleration" as potential safety-related recalls. Examination of the organization's defect docket, which lists the records of closed investigations, reveals that its concerns center on the following:

- Full throttle acceleration happens when shifting out of park or neutral and application of the brakes has no effect. The engine receives too much combustible fuel and there has to be brake failure, not just the loss of the brakes'

see NHTSA, page 61

All Closed Sudden Acceleration Investigations Since 1972

Model and Year	Investigation	Period
Toyota (various)	Throttle linkage	July-Aug. 72
Chevrolet Nova 71	Accelerator sticking	Sept.-Nov. 72
Mercury Monterey 71	Accelerator cable	Nov. 72-Feb. 73
Plymouth Cricket 71-72	Accelerator linkage	Nov. 72-Feb. 73
Toyota Mark II 71	Accelerator linkage	Nov. 72-Feb. 73
Chevrolet Vega 2300 72	Binding, sticking accelerator	Nov. 72-March 73
Ford station wagon 69	Accelerator cable	Feb.-May 73
Honda Civic	Accelerator linkage	April-May 73
Chevrolet pickup 72	Throttle control	May-Oct. 73
Ford school bus 73	Throttle linkage	May-June 73
Mercury (various) 72	Speed control	June-Sept. 73
Ford Pinto	Throttle solenoid	Aug.-Oct. 73
Volvo 71-72	Throttle return spring	Aug.-Oct. 73
AMC Matador 73	Accelerator pedal interference	Aug.-Oct. 73
Ford Torino 69	Engine mount accelerator	Sept. 73
Mack truck 72	Wheels and accelerator	Oct.-Dec. 73
GM (various)	Accelerator linkage	Oct. 73-Oct. 74
Toyota Corolla 71-74	Accelerator linkage	July-Oct. 74
Datsun 240Z	Accelerator linkage	July-Dec. 75
Datsun truck 71	Accelerator cable	Jan.-May 76
Austin Marina 74	Brakes, accelerator cable	Dec. 76-Nov. 78
Triumph 74-76	Ignition & accelerator cable	May-July 77
Volvo 74-75	Accelerator sticks	May 77-May 78
Ford truck C600-C700 77	Throttle plate hangs up	June-Dec. 77
Austin Marina 74-75	Engine surge, electric	July 77-July 78
Fiat (various) 75-77	Throttle return spring	Sept. 77-Jan. 78
AMC (various) 77	Car stumble and surge	Jan.-April 78
Oldsmobile Cutlass 78/Pontiac 77	Hesitation, engine surge	May-June 78
Chrysler (various)	Mid-speed surge cold drive	May-June 78
Volvo (various) 70-73	Throttle malfunction	Feb.-May 78
Chevrolet-Pontiac 75-78	Accelerator pedal jams	Feb.-May 78
Ford (various) 77	Cruise control	Feb.-April 78
Pacesetter Cruise Control	Jams throttle	May-Nov. 78
Ford 382 CID Truck 77	Engine surge	May-June 78
VW Rabbit 78	Throttle kicker with air cond.	Aug.-Nov. 78
VW Rabbit, Scirocco 76-80	Accelerator linkages	July 78-Sept. 80
GM A/T Models 73-86	Sudden acceleration	Aug. 78-Aug. 86
Mack Fire Trucks	Accel. return spring breakage	Sept.-Oct. 78
Ford Fiesta 78	Carb. hot soak surge	Nov.-Dec. 78
VW Dasher, Audi Fox 74-78	Accelerator linkages	Oct. 78-April 79
Subaru (All Models) 74-75	Cold weather throttle stick	Nov. 78
Cadillac 77-78	Sudden accel. when 1st in gear	Jan.-May 79
Ford cars, trucks (various) 71-78	Secondary throttle plates	May 79-April 80
Ford 3200 mod. carb. 74-78	Throttle shaft icing	Aug.-Nov. 79
Saab 900	Electronic speed control	Sept.-Dec. 79
Chrysler Omni/Horizon 78-79	Alleged throttle sticking	May 79-Sept. 81
VW Rabbit diesel 77-79	Excessive engine acceleration	July 79-Jan. 80
Toyota Model RT134	Accelerator linkage	Feb.-March 80
Nissan/Datsun (various) 74-83	Sudden acceleration	Feb. 80-April 85

Source: NHTSA

AUTOMOTIVE NEWS/JOE WILSSENS

Some 35,000 engineers are expected to attend what SAE calls the largest annual meeting of its type

SAE Congress opens Feb. 23 in Detroit

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Once each year, the world's automotive engineering community focuses its attention on this city's riverfront and the SAE International Congress & Exposition.

The gathering, known universally as the SAE Show, runs Monday-Friday, Feb. 23-27 in Cobo Hall.

SAE, the Society of Automotive Engineers, has nearly 50,000 members. The organization launched a major recruiting campaign that is expected to heighten interest in the show and boost attendance this year. Some 35,000 engineers are expected to attend what SAE calls the largest annual meeting of its type.

"This year's congress provides an outstanding opportunity to learn about the latest changes taking place in vehicle engineering and manufacturing, engine design, new materials applications, electronics, fuels and lubricants and other fields," said John A. Betti, general chairman of the congress.

Betti, an SAE member since 1952, is executive vice president — technical affairs and operating staffs at Ford Motor Co.

The SAE event includes about 550 technical presentations that are divided into approximately 170 sessions. About 150,000 square feet of floor space will be devoted to the exhibits of 375 major suppliers to the auto trade. Strong emphasis on engineering materials and electronics is expected this year.

Donald Petersen, Ford Motor Co. chairman, will be the principal speaker at the annual banquet Feb. 26. It is expected to draw 5,000 people, SAE said.

GM, importers win round in suit over CAFE fines

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A suit over EPA's handling of fines imposed under the Corporate Average Fuel Economy law has turned into a fight over whether public interest groups can sue when they disagree with federal regulatory decisions.

General Motors and the Automobile Importers of America group have succeeded in getting a case they lost returned to court over the issue of whether consumer groups — in this case the Center for Auto Safety, Public Citizen, Union of Concerned Scientists and Environmental Policy Institute — can sue a federal agency as third parties to a regulatory decision.

The case will come before the full 11-judge U.S. Court of Appeals for the District of Columbia as the result of a joint petition filed by GM and AIA. A majority of the judges agreed to rehear the case some time between late April and early June.

Last December, three judges ruled unanimously that EPA had acted illegally in determining adjustment factors that ultimately reduced CAFE fines for various companies. The Center for Auto Safety estimated the court's refusal to allow the adjustments cost GM about $250 million and Ford an estimated $50 million. AIA members such as Jaguar, BMW, Volvo, Saab, Peugeot and Porsche would also have had to pay an unknown amount of fines.

EPA decided in 1985 to compensate auto companies with CAFE credits after the agency changed its testing procedures. The agency reasoned the test changes would have resulted in higher average fuel economy numbers for vehicles made since 1975, when CAFE standards were first made law.

Auto companies were told they could use the credits to increase their present or future CAFE, or use the credits to offset penalties they might have incurred as a result of missing the standard. Adjustments were given for cars made during the 1975-84 model years.

In July 1985, when EPA announced the adjustment, it was estimated the change would give Ford and GM CAFE credits worth some $500 million.

If the full court rules that consumer groups do not have standing or grounds to sue, then the entire decision on CAFE adjustment is thrown out.

Indeed, serious questions about who could challenge EPA on such a matter would be raised. For example, the Center for Auto Safety and the state of California have challenged the proposed 1987-88 CAFE standards as being too low.

The Competitive Enterprise Institute, a conservative think tank, has gone to court because it believes CAFE levels are too high.

At the end of last year, a spokesman for the vice president's Task Force on Regulatory Relief said the Reagan Administration planned to "rethink" the automotive fuel-economy standards, and made it clear that a full-fledged repeal may be sought.

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Lienert ends career at Automotive News

Editor-at-large Robert M. Lienert has left Automotive News for health reasons.

Lienert, 60, was editor from 1974 until late 1985, when he was named editor-at-large. He joined the paper in 1953 as an editorial associate, was named news editor in 1962 and managing editor in 1966.

He came to Automotive News from the Detroit Free Press, where he was a copy editor from 1947 to 1953. He received his bachelor of arts degree in journalism from the University of Nebraska and his master of science degree from the Medill School of Journalism at Northwestern University.

In a memo to the staff announcing Lienert's resignation, Automotive News Publisher and Editorial Director Keith E. Crain said, "I know each of you shares my sadness at the loss of Bob's spark, smile, humor and charm — to say nothing of his tremendous contribution as editor of Automotive News for more than a decade, and most recently as a teacher to all of us and confidant to many."

Lienert

Lienert was promoted to editor shortly after Crain Communications Inc. acquired the paper in 1971, and it was under his directorship that the paper expanded its scope from dealer issues to become an industry-wide journal.

Lienert was one of the first to cover the import-car industry. In the mid-1950s, he developed what may have been the first directory of importers and distributors.

A.B. Volvo presented Lienert and Automotive News a silver globe in 1961 for "outstanding achievement in evaluating and communicating the progress of the automotive industries of the world.' It is believed to be one of only two that exist. Lienert and Automotive News also were honored with a loving cup from Simca in 1964 for "outstanding coverage of the import-car market."

Lienert, his wife, Audrey, and two of their five children live in New Baltimore, Mich., where he is chairman of the city zoning board of appeals and director of the public library.

Crash rates for doubles termed high

WASHINGTON — Compared to their numbers on the highway, trucks with two trailers are two to three times more likely to be involved in crashes than tractors pulling only one trailer, according to the Insurance Institute for Highway Safety.

The crash involvement rate of "doubles" is greatest in single-vehicle crashes, a major new study by the insurance institute pointed out.

Crashes of doubles are much more likely to involve jack-knifing than crashes of singles, suggesting that the instability of the double configuration is a factor in their higher crash rate, the study found.

The institute's study was made in cooperation with the Washington State Patrol. It covered two years and included 734 large trucks that were involved in crashes on interstate highways, compared to a sample of trucks that were not involved in crashes.

In their comparisons, institute researchers had to account for the fact that different types of trucks have different travel patterns.

To do that, they investigated truck crashes on the interstate highways and collected information on the type of truck, driver and condition of the equipment.

Then they went to the crash sites and collected information on randomly-selected trucks, thereby establishing a sample for crash-involved trucks and a comparison, or control, group.

They said that was the only way to compare the effects of truck and driver characteristics for trucks of different configurations under similar travel conditions.

The National Research Council has said that the greater cargo capacity of double-trailer combinations means motor carriers could reduce overall mileage by 9 percent.

At the time of the council's study, there was no definitive data on the relative crash risk of doubles and singles, the insurance institute said.

Despite that lack of definitive data, the insurance institute added, the council estimated that overall mileage reductions associated with doubles would compensate for their increased crash risk.

But the institute's new data suggests that the reduction in mileage cannot compensate for the increased crash rates of the doubles.

Researchers warned that the widespread use of doubles will inevitably result in a disproportionate increase in truck crashes.

Motor carriers with large fleets argue that they can operate their double-trailer rigs without increased risk because of their careful attention to maintenance and safety, the institute added.

Although doubles in larger fleets have lower crash rates than those in smaller fleets, their rate is still higher than the crash involvement of tractors with only one trailer, according to the institute study.

Other findings from the study showed that empty trucks are more likely to be involved in crashes than loaded trucks; younger drivers are more likely to have crashes than older ones; and drivers operating a truck for six or more hours are more likely to be involved in crashes than those with fewer driving hours.

GMC Sundancer Sport Truck
Eighty California Sundancers from GMC Truck are lined up by the Queen Mary in Long Beach, Calif., for a dealer driveaway that introduced the limited-production model to the Southern California market. The trucks feature special paint treatment and equipment.

Brake law revised

All wheels must have stopping ability

WASHINGTON — Heavy-duty trucks and tractor trailers must be equipped with operating brakes on all wheels under a law taking effect this year.

However, the operators of most trucks built since July 24, 1980, will have until Feb. 26, 1988, to install brakes on all wheels.

The rule reverses 30 years of Department of Transportation policy allowing motor carriers to remove brakes from the front-axle wheels of trucks with three or more axles.

The policy was overturned by a congressional order contained in the Commercial Motor Vehicle Safety Act of 1986.

According to the rule, as of Feb. 26, 1987, every commercial motor vehicle over 10,000 pounds GVW must be equipped with brakes acting on all wheels, with the following exceptions:

- Trucks or truck tractors having three or more axles need not have brakes on front wheels if the vehicle was manufactured before July 25, 1980.
- Trucks and tractors manufactured between July 24, 1980, and Oct. 27, 1986, must be retrofitted to meet the requirements of the rule by Feb. 26, 1988, if the brake components have been removed.

The rule also requires that any full trailer, any semitrailer, or any pole trailer having a GVW of 3,000 pounds or less must be equipped with brakes if the weight of the towed vehicle resting on the towing vehicle exceeds 40 percent of the GVW rating of the towing vehicle.

The Federal Highway Administration said the rule amends Federal Motor Carrier Safety Regulations and brings heavy-duty trucks into compliance with regulations similar to those imposed by NHTSA on passenger vehicles.

Truckers long have argued that the removal of front-axle brakes helps to prevent jackknifing. Manufacturers claimed, however, that brake removal increased the likelihood of truck accidents.

The FHWA said the removal of truck brakes creates an imbalance in braking.

"The lack of front brakes increases . . . the risk of drive and trailer axle wheels locking and resulting in instability (jackknifing or trailer swing); increases the stopping distance, since the number of axles available to apply retarding force is reduced by one; and increases the demand for work on the remaining brakes," the agency said.

Light-truck diesel sales steady at 13% for Ford; GMC notes dip

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Diesel-engine sales for Ford's light-duty trucks have leveled off, but they are down a bit at GMC.

Overall, though, diesel engines continue to account for a fairly significant percentage of light-duty-truck sales.

Recently, Ford renewed its contract to purchase Navistar International's 6.9-liter diesels for its light trucks. The contract, due to expire in January, was extended through the 1990 model year.

Ford installed Navistar's diesel engine in 89,000 F-series pickups in the 1986 model year, 13 percent of F-series production.

Unit sales of diesels in the F-series were up from 1985's 73,000, but the 13 percent share of F-series sales remained the same.

In the first quarter of the 1987 model year, the engine continued to account for about 13 percent of Ford's light-duty-pickup mix, according to a Ford official.

Ford also installed the 6.9-liter in about 8,500 Econoline vans in the 1986 model year, where they accounted for 3.8 percent of Econoline sales.

That was off slightly from 9,000 units, or 4 percent of the Econoline mix, in the 1985 model year. In the first quarter of the 1987 model year, the percentage was 3 percent to 3.5 percent.

Navistar has sold more than 300,000 diesel engines to Ford since the contract took effect in 1981.

Chevrolet and GMC also offer a 6.2-liter diesel engine in their full-sized G-vans, Blazer/Jimmy, Suburbans and full-sized pickups.

GMC retailed 11,497 light-duty diesel-equipped trucks in calendar 1986, equal to 6.2 percent of its sales. That was off from 16,641 in 1985, when they accounted for 8.5 percent of GMC's sales.

Light-truck sales dip 14% for month

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Light-duty truck sales were off 14.5 percent in January, with all the domestic makes and the imports as a group showing declines.

Some of the individual imported lines reported gains.

There were 276,088 light-duty trucks retailed last month, compared to 323,091 a year earlier.

Chrysler, Jeep and the imports gained in market share, largely at the expense of Chevrolet and GMC.

The full-sized pickup truck segment was weak in January, exerting a big impact on Ford, Chevrolet and GMC.

Ford's F-series, the industry's volume leader last year, had sales of 28,932 in January, off 27.8 percent from a year earlier. Its market share dropped to 10.5 percent from 12.4 percent in the 1986 period.

Similarly, Chevrolet's full-sized C/K pickups, with sales of 20,809, were off 39.6 percent. They had a 7.5 percent share of market, down from 10.5 percent a year earlier.

Ford may be the more disappointed of the two companies because its sales decline followed styling and engineering changes introduced on the F-series last fall. GM's new pickups won't officially hit the market until late April.

Chrysler is making some headway with its mid-size Dodge Dakota, although some of that new line's sales are obviously coming at the expense of its full-sized Dodge D/W-series pickups.

Dakota sales of 6,333 last month were nearly equal to the D/W series' 6,464.

Combined sales of Dakota and D-series pickups gave Chrysler a 4.6 percent share of market, compared with the 2.7 percent share it held with other domestically built pickups a year earlier.

Generally, the increase in Chrysler's pickup share of the market helped offset sharp declines in sales of its Caravan/Voyager minivans.

Overall, Chrysler's sales of 37,825 trucks last month gave it a 13.7 percent share of the light-truck market. In January 1986, it had a 12.5 percent share of market on sales of 40,335 light-duty trucks.

Jeep's sales of 16,491 trucks in January gave it a 6.0 percent market share, up from a 5.4 percent share in January 1986 when it sold 17,337 trucks.

Jeep's Wagoneer, Cherokee and Comanche continued to turn in strong performances, though sales of the Wrangler were off sharply.

Wrangler is feeling some pressure from the smaller, lower-priced Suzuki Samurai whose sales continue to escalate sharply.

Suzuki Samurai sales of 5,662 last month were up 97.6 percent from a year earlier, accounting for a 2.1 percent share of the overall truck market.

Suzuki officials are projecting 75,000 Samurai sales in calendar 1987, up from 47,732 last year.

Nissan, Mitsubishi and Isuzu also had year-to-year gains in sales and market share, though import truck leader Toyota was off sharply for the month.

Overall, the imports retailed 57,070 trucks in January for a 20.7 percent share of market. That compared to 60,758 sales or an 18.8 percent market share in January 1986.

Light Duty Truck Sales
January

	1987	1986
Vans	10,410	12,195
Aerostar	6,488	8,160
Club Wagon	1,830	1,965
Ranger	19,676	22,836
Bronco	3,212	3,485
Bronco II	8,072	5,984
Pickups	28,932	40,085
Ford	**80,620**	**94,710**
Vans	5,836	8,224
Sportsvan	778	1,020
Astro	8,839	8,853
S-10	13,520	16,046
S-10 Blazer	10,057	10,311
El Camino	921	2,465
Blazer	1,908	2,890
Suburban	3,086	3,276
Pickups	20,809	34,454
Chevrolet	**65,754**	**87,542**
Vans	4,215	3,952
Ram Wagon	2,273	2,047
Voyager	4,948	8,274
Caravan	5,618	8,857
Mini Ram Van	855	1,187
Ram 50	4,831	5,929
Raider	939	-
Ramcharger	1,349	1,340
Dakota	6,333	-
Pickups	6,464	8,749
Chrysler	**37,825**	**40,335**
Vans	2,584	2,556
Safari	1,911	1,989
S-15	3,102	3,717
S-15 Jimmy	2,524	2,660
Jimmy	579	572
Caballero	142	321
Suburban	1,144	1,290
Pickups	5,536	8,937
P Model	692	306
W-4	114	61
GMC	**18,328**	**22,409**
Wrangler/CJ	1,906	4,064
Wagoneer	1,147	934
Cherokee	9,092	7,916
Grand Wagoneer	1,282	1,440
Comanche	2,868	2,818
J-10/J-20	166	165
Jeep	**16,491**	**17,337**
Toyota	18,403	26,889
Nissan	15,894	14,789
Mazda	8,358	8,648
Isuzu	5,848	5,591
Mitsubishi	2,905	1,976
Suzuki	5,662	2,865
Imports	**57,070**	**60,758**
Industry Total	**276,088**	**323,091**

Ford held its market share in January, largely because of the strength of its Aerostar minivan and Bronco II sport/utility.

Ford's sales of 80,620 light trucks in January gave it a 29.2 percent market share. Last year, it retailed 94,710 light trucks for a 29.3 percent market share.

Chevrolet's market share dropped to to 23.8 percent from 27.1 percent in January 1986.

Chevrolet retailed 65,754 light-duty trucks compared to 87,542 a year earlier.

The Astro minivan and S-10 Blazer sport utility were Chevrolet's two strongest lines in January, nearly matching their year-earlier performances.

Sales of El Camino, however, slumped to 921 units from 2,465 a year earlier.

GMC retailed 18,328 light trucks, off from 22,409 last year.

Its market share dropped to 6.6 percent from 6.9 percent a year earlier.

Analysts generally are looking for stronger sales this month, given the wide-ranging level of incentive activity which has taken hold not only among domestic, but import truck manufacturers as well.

Sales are also expected to benefit from the new longer warranties, being offered by the domestic manufacturers.

SERVICE MANAGEMENT

NADA seminars offer suggestions on improving service operations

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The real business of the dealer's backshop continues to be dealing with customers and fixing their cars.

That message was not so evident at the National Automobile Dealers Association exposition, which was dominated by computer firms pushing wares for the back shop. But in the NADA seminars, the message was clear: The success of a service operation depends on the competence of its personnel and on its ability to make customers feel the dealership is looking out for their best interests.

Following are several approaches to a successful dealer shop, as advocated by NADA seminar speakers.

Sink-or-swim approach

Every once in a while, a throwback comes along, spits in the face of progress and shows that the old way wasn't necessarily the bad way.

Fred Frederick, owner of Fred Frederick Chrysler-Plymouth, Laurel, Md. is such a case.

Frederick, an ex-Marine drill instructor, doesn't much believe in factory-trained mechanics. He isn't thrilled by computers in the service shop, although he has them.

What Frederick does believe in, is the mechanic who is able to look at a machine and, by wits and experience, figure out how to fix it.

Frederick doesn't really invest much time in training his mechanics. They train themselves. His training program — and it very definitely is an organized program — might best be described as sink or swim.

For 15 years, each mechanic in Frederick's shop has gone through the program.

Frederick doesn't look for an experienced mechanic with a complete set of tools. He won't take graduates of vocational schools. And he won't take experienced mechanics. He looks for young people willing to learn.

Frederick puts his applicants through a written mechanical comprehension test and a simple manual dexterity test.

Having passed Frederick's rigorous application process, trainees must pass 10 training assignments — generally within two years.

Trainees learn on their own time while being paid for duties in the shop relating to their skill level.

Frederick figures he is doing a good job if two of four applicants pass through training to become full-fledged technicians.

"If you have a problem teaching yourself, this is not the program for you," Frederick says.

"Take Assignment 6, for example. We give a guy a wiring harness and the wiring manual. He has to figure out what goes where. When he does that, he is among the top 5 percent of mechanics in electrical repair. I have been in shops where the car is all torn apart by a mechanic looking for a short. You don't see that in my shop."

Technician trainees also must learn to explain the repair process.

"When he learns how to explain what he has just learned, he'll go over an tell his buddies," he says.

Frederick will ask a trainee to explain a repair procedure. When the trainee gets stuck, Frederick will help out.

In most cases, though, the trainee is on his own.

Frederick teaches his technicians to fix a broken automatic transmission by giving them a broken transmission and a service manual. (Customer cars are not used for such tests.)

"When the car is back together, I'm the guy who drives it off the lift," Frederick says. "Everybody in the shop watches and waits because everybody knows that when I put that car in gear, it is the technician's examination."

Technician trainees start at $5 per hour. As they pass each assignment, they get a raise. When they have completed all 10 assignments, technicians work at a flat rate of $13.50 an hour. Frederick said a good mechanic can earn $35,000 to $40,000 per year.

Does the Frederick training program work? He claims to have one of Chrysler's highest Customer Satisfaction Index ratings.

Perhaps more telling, though, is his statement that, "During the tough times at Chrysler, we never had a red month because of our service shop business."

Frederick's dealership is relatively small, selling some 850 cars per year.

Frederick admits such a program probably would not work at a dealership where the owner is not very involved in the service end.

Teams: Old, new ways

The more things change, the more they stay the same.

Such is the case with the team approach to repairing automobiles as outlined by Ed Kovalchick, president of Net Profit, a national automotive management and financial consulting firm in Alabaster, Ala.

Kovalchick also is a partner in 10 West Coast auto dealerships.

In the 1950s, Kovalchick notes, there was a more direct relationship between technician and customer. The service manager was the only stop between the two.

It was common for service managers to dispatch work into groups or teams of technicians, skilled in all types of repairs. (Teams may or may not work together on one car, and they split the hourly pay for their work.)

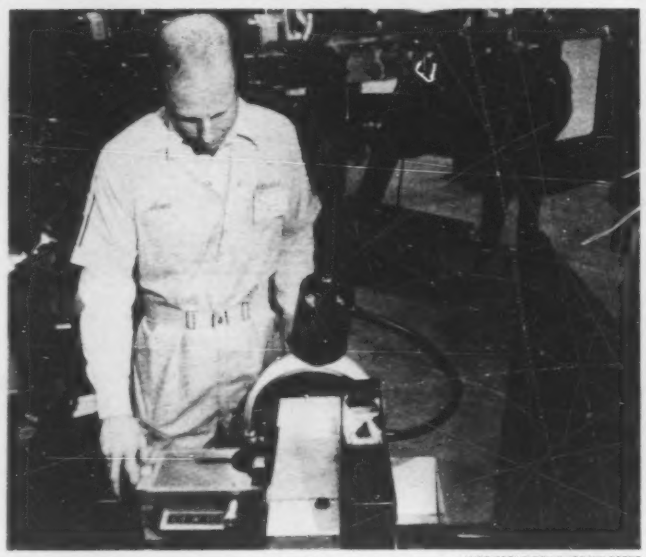
As the number of dealerships diminished and cars became more complicated, dealerships began using specialists, adding service advisors, warranty managers, service greeters, customer relations personnel and computers to keep track of everything.

"What I suggest is an evolutionary cycle," Kovalchick says. "If you look at the way shops were run 30 or 40 years ago when they were successful, there was a direct relationship with the customer — only a service manager between the technician and the customer. Now, there is no personal contact with the technician. He is lost in his own world. The technician today doesn't have reason to respond to a customer."

The current team approach that Kovalchick advocates breaks the service shop into small groups of technicians with a single service manager. Each team functions as a service operation in its own right. The team, Kovalchick says, "has its own personality" and weeds out members who hinder the efficiency of the group.

However, Kovalchick warns that the team approach will not work if the dealership is not committed to the approach. He also claims the service shop must be operating efficiently with the current system before switching to teams.

"The foundation of a well-run service department has nothing to do with teams," he says. "Teams are the icing on the cake to get the extras they provide: the opportunity for training that occurs when people work closely together; the need for fewer repair stalls; competitiveness within the dealership; a career path for young mechanics."



Repair equipment was a rarity at the NADA exposition AUTOMOTIVE NEWS/JOE WILSSENS

He adds, "All of this will not fit if the foundation is not in place. The foundation starts in the parts department, the writing of repair orders, the cleanliness of the shop and the skill and attitude of the employees."

He says it generally takes nine months for a dealership to put its shop in order before the team approach can be put into effect. Sometimes, he says, it is just not possible to adopt a team system.

The dealer must be committed to operate such a system, not merely to try it out, he says.

Bob Gault, Gault Chevrolet Co., Endicott, N.Y., claims the dealership's service sales and profits were No. 3 in a three-dealer market when Kovalchick's firm was engaged in 1977. The dealership's service shop is now more profitable than those of the other two dealerships combined, he says.

Advisors not mechanics

A service advisor does not have to be a mechanical expert to be a top performer, claims James Preston, senior vice president of Assessment Designs International, a consulting firm in Maitland, Fla.

Preston came to that conclusion as a result of a study of more than 1,000 General Motors service advisors, service managers and service directors.

Preston says the best service advisors are those who are good listeners, who ask customers the proper questions to determine what is wrong with their cars and who exude confidence that they can fix the problem.

However, Preston says, communications skills are not the only qualities needed by top service advisors. In hiring service advisors, Preston says, the dealer also should consider the ability and experience that will allow an applicant to withstand the environmental rigors of the job: A service advisor must often withstand periods of extreme heat and cold, long hours standing and stressful situations in dealing with customers.

A service advisor's performance may be evaluated based on the Customer Satisfaction Index of the shop's customers and on his ability to sell service to customers, as well as on his communications skill.

Motivating personnel

W.C. Smith, service manager for Capitol Cadillac Co., Greenbelt, Md., has upgraded the dealership's service-related Customer Satisfaction Index from 10th lowest in 1981 to fifth highest in 1985 among large, exclusive Cadillac dealers.

Smith motivates his employees by encouraging pride in their jobs and by providing monetary rewards for a job well done.

Employees receive incentive pay for outstanding work, and there are awards and rewards for the top employees of the month and year.

Smith says the dealer must be committed to the success of the operation and must be in direct contact with customers and employees. He subscribes to "management by walking around."

Dealers' shop business registers 5% increase for 1986

SERVICE INDEX
108.7★

	December '86 vs. December '85	12 mos., '86 vs. 12 mos., '85
Gross Profit on All Labor and P&A Sales	+9.8%	+7.1%
Repair Orders Written	+2.0%	−0.1%
Total Labor Sales (Customer & Warranty)	+9.9%	+8.6%
Shop Parts Sales (Customer & Warranty)	+10.0%	+6.6%
Sales of All P&A	+11.8%	+4.3%

★—Survey by Automotive News shows that dealers' service and parts business in December 1986, was 108.7 percent of business in December, 1985. Service business during all of 1986 was 105.3 percent of business during 1985.

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships during 1986 continued to climb, as it has since 1980.

The Automotive News Service Index showed that shop business at dealerships in 1986 climbed 5.3 percent over business during 1985.

The greatest gain in the 24-year history of the Service Index occurred in 1984 when shop volume increased 13.5 percent over 1983.

In 1980, service volume dipped to 98.3 percent of the 1979 figure.

Service volume during 1986 declined in only two months as compared with corresponding months of 1985.

In February 1986, the Service Index fell to 99.6 percent of the year-earlier month. And in November 1986, the Index fell to 97.7 percent of November 1985.

In December 1986, business in the backshop recovered after the November dip.

The Service Index shows that shop business at dealerships in December amounted to 108.7 percent of the volume in December 1985.

A Chevrolet dealer in the Northeast, whose service volume increased in December, said, "We sold and delivered more new vehicles in 1986 than in any other year. They had to come back for service — lube, oil, filters, state inspections. We also retain a large share of former new-vehicle buyers."

A Western Buick dealer attributed his December service volume increase to a service advisor who did a better job of selling work.

A Northeast Saab dealer said service volume increased about 30 percent in December, but he claimed the increase was unusual for the month.

Some dealers who reported declines in December service business attributed the drop to the holiday season.

Total labor sales (customer paid and warranty) registered the biggest gain during 1986, up 8.6 percent. Gross profit on all labor, parts and accessories was up 7.1 percent; shop parts sales (customer paid and warranty) were up 6.6 percent; and sales of all parts and accessories climbed 4.3 percent.

Repair orders written were down 0.1 percent for 1986.

Parts and accessories sales to off-premises customers were up 1.8 percent for 1986.

Sales of all parts and accessories was the leading indicator in December, up 11.8 percent over the 1985 month. Also showing impressive gains were shop parts sales, up 10.0 percent; total labor sales, up 9.9 percent; and gross profit on all labor, parts and accessory sales, up 9.8 percent.

Repair orders written were up 2 percent in December.

Parts and accessories sales to off-premises customers were up 13.7 percent in December.

AUCTION DATES

American Motors

Feb. 17 — D-A Auto Auction, New Stanton, Pa., and Aptco Auto Auction, Taylor, Mich.

Feb. 18 — Minneapolis Auto Auction, Plymouth, Minn., and Kansas City Auto Auction, Kansas City, Mo.

Feb. 19 — Evansville Auto Auction, Evansville, Ind., and Todd Auto Auction, Telford, Pa.

Feb. 24 — Statesville Auto Auction, Statesville, N.C.

Feb. 25 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Chrysler Corp.

Feb. 17 — Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 18 — Butler Auto Auction, Gibsonia, Pa.; Columbus Fair Auto Auction, Obetz, Ohio; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

Feb. 19 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Feb. 24 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Feb. 25 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Sand Mountain, Ala.; and South Seattle Auto Auction, Kent, Wash.

Ford Motor Co.

Feb. 17 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 18 — Lakeland Auto Auction, Lakeland, Fla.

Feb. 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Feb. 24 — South Seattle Auto Auction, Kent, Wash.

Feb. 25 — Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; and Brasher's Southern California Auto Auction, Fontana, Calif.

General Motors

Feb. 17 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

Feb. 18 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Feb. 19 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Feb. 24 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 25 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Golden Gate Auto Auction, Fremont, Calif.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales
Auction Averages

February to date 1987	$5,742
Month ago	$5,878
Year ago	$4,800

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$13,170	$13,158	$ 00
1986	$10,395	$11,481	$11,149
1985	$7,657	$7,054	$8,144
1984	$6,030	$5,811	$6,142
1983	$4,923	$4,995	$5,386
1982	$3,723	$3,599	$4,141
1981	$2,488	$2,614	$3,177
1980	$2,081	$1,997	$2,349
Overall Average	$5,742	$5,129	$5,181

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Hughes ups GM's military exports

An independent study indicates General Motors, through its acquisition of Hughes Aircraft Co., has moved into the top 10 among U.S. firms selling military hardware abroad.

Ford Motor Co. climbed into the 11th spot in fiscal 1985, according to the new study by the Investor Responsibility Research Center, Washington. The company was not among the top 30 in fiscal 1984.

Data for the IRRC's "U.S. Arms Exports: Policies and Contractors" was culled from unclassified Pentagon documents.

GM alone sold $86.9 million worth of military goods outside the United States in fiscal 1985 to rank 13th among U.S. firms, according to the study. Hughes was 12th with sales of $94.3 million. The two firms were not combined in the IRRC's ranking because GM did not own Hughes during fiscal 1985.

If GM and Hughes exports had been combined, GM would have ranked 10th with a total of $181.2 million.

Ford exports increased dramatically to $100.8 million in 1985, up from just $7 million in fiscal 1984, according to the study.

Ford's rapid rise was due to sales of Sidewinder and Chaparral missiles, an IRRC spokesman said.

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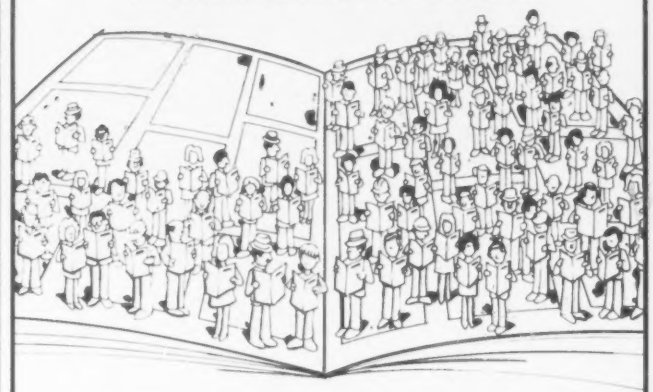

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DRI, Power join up to sell data

DETROIT — Data Resources Inc. and J.D. Power and Associates have announced plans to market information services.

DRI is an economic forecasting company, and Power is an automotive market consulting firm.

The two companies said they already have collaborated on four projects — the Power Report, the North American Light-Vehicles Service, the OEM Auto Supplier Service, and the Power California Forecast. They plan to develop other projects.

J. David Power III, who founded the California consulting firm, said one project may be an automotive transactional price index.

John H. Hammond Jr., who recently joined J.D. Power and Associates as a partner, will be responsible for joint-venture products. Prior to joining Power, Hammond spent five years at DRI, where he was a vice president and automotive econometrician.

Joint-venture forecast-service income is currently estimated at $750,000 and is expected to double to $1.5 million within 18 months, Power said.

RETAIL OUTLETS, U.S. MAKES OF PASSENGER CARS 1987 vs. 1986

	Jan. 1, 1987 Exclusives (Within Corp.)	Multiples (Within Corp.)	Total Franchises	Net Dealers	Jan. 1, 1986 Exclusives (Within Corp.)	Multiples (Within Corp.)	Total Franchises	Net Dealers
AMERICAN MOTORS-RENAULT	131	2,436	2,567	1,349	156	2,530	2,686	1,421
AMC	91	1,218	1,309		103	1,265	1,368	
Renault	40	1,218	1,258		53	1,265	1,318	
CHRYSLER CORP.	959	8,098	9,057	4,023	954	8,031	8,985	4,003
Chrysler	0	3,064	3,064		0	3,049	3,049	
Dodge	950	2,010	2,960		945	1,982	2,927	
Plymouth	9	3,024	3,033		9	3,000	3,009	
FORD MOTOR CO.	2,719	6,265	8,984	5,460	2,780	6,247	9,027	5,517
Ford	2,706	1,908	4,616		2,769	1,913	4,682	
Lincoln	0	1,617	1,617		0	1,598	1,598	
Mercury	11	2,740	2,751		11	2,736	2,747	
GENERAL MOTORS	4,970	10,720	15,690	9,680	5,080	10,715	15,795	9,830
Buick	700	2,250	2,950		710	2,250	2,960	
Cadillac	250	1,365	1,615		255	1,360	1,615	
Chevrolet	2,865	2,110	4,975		2,940	2,110	5,050	
Oldsmobile	625	2,550	3,175		625	2,565	3,190	
Pontiac	530	2,445	2,975		550	2,430	2,980	
VOLKSWAGEN	878	0	878	878	877	0	877	877
TOTALS	9,657	27,519	37,176	21,390	9,847	27,523	37,370	21,648
Minus intercorporate duals				985				975
NET DEALERS				20,405				20,673

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CENSUS

FROM PAGE 1

72 for American Motors-Renault. The combined loss of 258 grew to 268 because of a change in the number of intercorporate duals.

All figures in this article and in the accompanying tables signify the net change in the dealership population, both for the individual corporations and car lines and for the domestic industry as a whole.

As noted, the dealer count has dropped in 28 of the last 30 years. During that period, the total has fallen from 37,982 to 20,405, a decline of 46 percent.

The reasons are many and varied. There was considerable overdealering in the immediate post-World War II period, and many of those outlets did not survive the tougher sales climate of later years.

At every company, the trend has been toward fewer but larger dealerships. Today, the movement is toward megadealerships, huge operations with many franchises and several high-volume locations.

And there has been a tremendous change in the makeup of the dealership population. At the beginning of 1957, only 4.5 percent of the domestic outlets carried a line of imported cars. Today, 60 percent of the domestic dealerships also have an imported make in the showroom, either a captive or an independent.

Little more need be said about the importance of imports to a dealership's survival.

Putting those percentages into numbers, 1,707 of the 37,982 domestic stores had an import on Jan. 1, 1957. Now, 12,218 of 20,405 handle imports along with their domestic models. The captive total took a big jump in mid-1957 when some 5,500 Buick and Pontiac dealers began stocking GM's imported Opel and Vauxhall lines.

In 1986, the dealership declines were light in the first and fourth quarters, heavier in the second and third. By quarters, the dips were 25-77-127-39. Here are the quarterly totals:

Jan. 1, 1986	20,673
April 1, 1986	20,648
July 1, 1986	20,571
Oct. 1, 1986	20,444
Jan. 1, 1987	20,405

Six of 14 makes in the domestic census showed increases in franchise totals for 1986. All three Chrysler Motors makes were up, and Dodge's advance of 33 led the industry. There were lesser gains for Plymouth, Chrysler, Lincoln, Mercury and Volkswagen.

Lincoln passed Cadillac in the franchise count. The Jan. 1 figures were Lincoln, 1,617; Cadillac, 1,615. A year earlier, it was Cadillac, 1,615; Lincoln, 1,598.

Cadillac's franchise total was unchanged for the year, and there were declines for Chevrolet, Ford, Renault, American Motors, Oldsmobile, Buick and Pontiac. The steepest losses were posted by Chevrolet, down 75; and Ford, down 66.

As noted, Chrysler Motors boosted its dealer total for the fourth consecutive year. The 1986 advance of 20 outlets followed gains of 15 in 1985, 124 in 1984 and 227 in 1983. The company's dealer count has risen in 15 of the last 17 quarters, and one of the two non-gainers was a no-change quarter.

In addition to its 4,023 car dealerships, Chrysler Motors has three that handle only Dodge trucks. They are not included in the corporate dealership total or the Dodge car-franchise total.

Ford Motor Co.'s dip of 57 outlets in 1986 compared with a drop of 47 in 1985. The total was up 56 in 1984 and up 94 in 1983.

Ford Motor has 113 dealerships that handle only Ford heavy-duty trucks. They are not included in the corporate car-dealership figure or in the Ford Division car-franchise count.

GM's decline of 150 dealerships last year was a bit higher than 1985's loss of 135. GM's car dealership figure is 9,680. The corporate total is 10,235 including GMC truck outlets that do not handle any of the corporation's cars.

The AMC-Renault total was down 72 for the year, but two-thirds of that loss (49) occurred in the second quarter. The 72-outlet decline compared with a dip of 44 in 1985.

AMC has 726 duals with Big Three makes of cars, and Renault is included in 93 percent of them. The AMC-Renault car-dealer total is 1,356; the corporate count rises to 1,472 with the inclusion of Jeep outlets that do not handle either line of cars.

Volkswagen's gain of one dealership in 1986 followed a dip of 22 in 1985. VW has an estimated 170 duals with Big Three cars and with AMC-Renault.

NEW-CAR OUTLETS
U.S. and Import

	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1957	39,136	n/a
Jan. 1, 1958	39,108	−0.1%
Jan. 1, 1959	37,558	−4.0%
Jan. 1, 1960	36,336	−3.3%
Jan. 1, 1961	34,803	−4.2%
Jan. 1, 1962	33,461	−3.9%
Jan. 1, 1963	33,308	−0.4%
Jan. 1, 1964	33,291	−0.1%
Jan. 1, 1965	33,360	+0.2%
Jan. 1, 1966	33,114	−0.7%
Jan. 1, 1967	31,584	−4.6%
Jan. 1, 1968	31,101	−1.5%
Jan. 1, 1969	31,076	−0.1%
Jan. 1, 1970	30,842	−0.8%
Jan. 1, 1971	30,314	−1.8%
Jan. 1, 1972	30,150	−0.5%
Jan. 1, 1973	30,094	−0.2%
Jan. 1, 1974	29,998	−0.3%
Jan. 1, 1975	29,701	−1.0%
Jan. 1, 1976	29,309	−1.3%
Jan. 1, 1977	28,744	−1.9%
Jan. 1, 1978	28,656	−0.3%
Jan. 1, 1979	28,512	−0.5%
Jan. 1, 1980	27,891	−2.2%
Jan. 1, 1981	26,333	−5.6%
Jan. 1, 1982	25,703	−2.4%
Jan. 1, 1983	24,729	−3.8%
Jan. 1, 1984	24,721	−0.0%
Jan. 1, 1985	24,724	+0.0%
Jan. 1, 1986	25,104	+1.5%
Jan. 1, 1986	24,823*	+0.4%
Jan. 1, 1987	25,156	+1.3

* — Revised

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Import increase offsets U.S. dip; dealer total rises

Gains by imports pushed the number of new-car dealerships in the United States to 25,156 on Jan. 1, 1987, up 1.34 percent from 24,823 at the beginning of 1986.

The annual Automotive News tabulation found an increase of 601 outlets handling only imported cars. That more than offset a decline of 268 in those selling domestic makes. Thus, the increase for the year was 333.

The 25,156 total consists of 20,405 outlets for domestic cars and 4,751 that carry only imports.

There were 16,969 dealerships stocking imported cars on Jan. 1, 1987, but 12,218 of them also handled domestic lines and were counted in the domestic total.

At the beginning of 1986, the overall total of 24,823 was made up of 20,673 domestic dealerships and 4,150 import-only locations.

The import outlet total was 16,392, of which 12,242 were import-domestic duals that were included in the domestic figure.

Last year marked the third consecutive increase in the combined import-domestic dealer total. The count rose by three outlets in 1984 and by 99 in 1985.

CLASSIFIEDS

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Will Pay Full List Price
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ALLANTE'S WANTED
Present Stock/Future Stock
WE WILL PAY FULL LIST PRICE!!!
Call: Joel Goldsmith
718-526-8100
GOLDSMITH CADILLAC

IMPORT DAYS' SUPPLIES

	Feb. 1, 1987	Jan. 1, 1987	Feb. 1, 1986
Spectrum	130	89	215
Sprint	141	131	89
Chevrolet	134	102	148
Chrysler Corp.	131	84	79
Acura	54	38	0
Honda	8	4	9
Isuzu	157	71	79
Mazda	74	31	26
Mitsubishi	127	64	21
Nissan	76	60	34
Subaru	74	49	23
Toyota	35	12	8
JAPAN	65	36	30
Audi	256	134	80
BMW	54	50	52
Mercedes-Benz	32	19	23
Merkur	190	127	104
Porsche	81	43	76
VW	157	96	80
GERMANY	100	51	61
Alfa Romeo	50	60	45
Hyundai	29	16	0
Jaguar	43	8	26
Peugeot	69	50	72
Renault	0	0	281
Saab	47	44	56
Volvo	28	274	47
Yugo	50	32	26
Other Countries	34	38	49
Total Import Cars	62	38	36
Isuzu	115	76	122
Mazda	70	42	37
Mitsubishi	76	85	23
Nissan*	109	82	67
Suzuki	31	19	0
Toyota	67	34	28
Chrysler	126	89	69
Total Imp. Trucks	85	53	48
Total Imp. Vehicles	68	42	39

*Includes domestic trucks.

DOMESTIC DAYS' SUPPLIES

	Feb. 1, 1987	Jan. 1, 1987	Feb. 1, 1986
Alliance	202	112	121
Encore	0	0	166
Total Renault	202	112	135
Eagle	96	46	111
Total AMC	96	46	111
AMERICAN MTRS.	186	102	131
Horizon	94	50	93
Sundance	101	76	0
Turismo	295	99	110
Reliant	115	45	62
Caravelle	130	46	118
Plymouth	154	57	112
Total Plymouth	119	56	83
Laser	186	135	136
LeBaron K	107	43	125
LeBaron J	106	89	0
LeBaron GTS	167	83	117
Fifth Avenue	133	70	85
New Yorker	223	79	86
Total Chrysler	147	72	107
Omni	96	50	87
Shadow	92	51	0
Charger	263	159	104
Daytona	192	133	91
Aries	109	44	68
Lancer	149	119	163
Diplomat	123	69	82
Dodge 600	142	57	127
Total Dodge	123	62	97
CHRYSLER MTRS.	127	62	96
Escort	131	46	34
Mustang	78	46	94
Tempo	118	57	60
Taurus	80	33	78
Thunderbird	76	40	84
LTD	0	0	64
Crown Victoria	105	41	83
Total Ford Division	99	43	59
Lynx	153	61	50
Topaz	130	68	64
Sable	120	42	61
Cougar	103	33	78
Capri	0	5	168
Marquis	0	0	69
Grand Marquis	87	27	72
Total Mercury	113	41	69
Continental	71	21	56
Lincoln	62	19	41
Mark VII	80	36	55
Total Lincoln	66	22	45
Total L-M Division	99	34	62
FORD MOTOR CO.	99	40	60
Skyhawk	247	131	98
Somerset Regal	199	124	126
Century	110	59	107
Regal	159	102	161
LeSabre	114	74	96
Electra	108	66	124
Riviera	63	97	71
Total Buick	130	81	115
Cimarron	165	78	59
Seville	54	65	63
Cadillac	104	56	58
Eldorado	55	89	60
Total Cadillac	93	80	59
Chevette	51	53	79
Nova	188	143	99
Cavalier	100	92	51
Citation	0	0	66
Camaro	146	132	135
Celebrity	94	46	79
Corsica/Beretta	—	11	0
Monte Carlo	153	99	130
Chevrolet	103	58	130
Corvette	135	80	93
Total Chevrolet	113	73	87
Firenza	184	163	102
Calais	107	83	161
Cutlass Ciera	81	51	84
Cutlass Supreme	131	99	110
Olds 88	103	59	92
Olds 98	139	77	89
Toronado	120	115	83
Total Oldsmobile	105	70	96
Fiero	200	148	157
1000	116	121	113
Sunbird	122	105	58
Firebird	142	80	109
Grand Am	48	33	43
6000	96	59	70
Bonn./Gr. Prix	222	125	90
Grand Prix	0	0	125
Parisienne/Bonn.	135	74	158
Total Pontiac	102	69	86
GENERAL MTRS.	110	72	91
VOLKSWAGEN	178	81	85
HONDA	7	4	19
NISSAN	92	54	27
TOYOTA	130	46	0
DOM. TOTAL	105	56	82
Subcompact	102	57	67
Compact	117	71	75
Intermediate	103	54	94
Standard	108	57	106
Luxury	86	53	71

INVENTORIES

FROM PAGE 1

sold 332 units this year, but made no cars in the United States in February a year ago.

The Feb. 1 inventory of 1,734,299 domestic cars was the highest unit total for that date since 1979. The days' supply was the highest since 1982, when it was 107, according to Automotive News data.

Stocks of unsold imported cars also grew in January. On Feb. 1 they totaled 471,547 units, up substantially from a year earlier when the figure stood at 329,798 units, and up slightly from Jan. 1 when there were 463,165 imported cars not yet sold.

Imported cars in stock on Feb. 1 represented a 62-day supply, compared with a 39-day supply a year before and 38-day at the close of December.

The inventory of imported trucks on Feb. 1 was 206,132 units, or an 85-day supply, up from 202,207 (53 days) on Jan. 1 and 124,781 (48 days) on Feb. 1, 1986.

The car and truck combined inventory represented a 68-day supply compared with 42 days a month earlier and 39 days a year earlier.

Inventories of domestic cars by company as percentages of the total shaped up this way in January: General Motors, 56.92; Ford Motor Co., 23.79; Chrysler Motors, 15.03; Nissan, 1.33; Volkswagen, 1.11; American Motors, 1.00; Toyota, 0.50; and Honda, 0.32.

A month earlier, the shares were: General Motors, 59.81 percent; Ford Motor, 21.46 percent; Chrysler Motors, 14.55 percent; Nissan, 1.16 percent; Volkswagen, 1.15 percent; American Motors, 1.13 percent; Toyota, 0.47 percent; and Honda, 0.27 percent.

A market analyst at Ford Motor Co. offered some insight into that company's production philosophy as it relates to inventories.

On Feb. 1, imported-car inventories were divided by nation of origin his way: Japan 71.61 percent; Germany 17.00 percent and other countries 11.39 percent.

A month earlier, the by-nation shares looked like this: Japan 69.14 percent; Germany 18.29 percent and others 12.57 percent.

January sales dip in Canada

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Sales of domestic new cars in Canada dropped 20.5 percent, or nearly 10,000 units, in January compared with January 1986.

Truck sales also declined in January. The total was 3.1 percent below the year-earlier figure.

Canadian new-car and truck dealers delivered 38,570 cars and 22,981 trucks in January compared to 48,563 cars and 23,727 trucks in January 1986.

American Motors, Chrysler Motors and Ford Motor Co. continued to offer incentives last month on small cars and light-duty trucks.

AMC and Ford were the only automakers to post car sales gains in January. AMC sold 1,039 cars last month, up 10.53 percent from 940 in January 1986. Ford sold 11,385 cars in January, up 1.09 percent from 11,262 a year ago.

Sales of Chrysler Motors' cars fell 22 percent last month despite the continuation of incentives on K-cars. Chrysler sold 7,880 cars, compared with 10,106 in January, 1986.

General Motors car sales dropped 31.05 percent last month, falling to 17,701 from 25,673 in January 1986.

"We're calling it a temporary stalling in the marketplace," a GM of Canada spokesman said.

CANADIAN SALES

	Jan. 1987	Jan. 1986	Pct. Change	1 mon., 1987	1 mon., 1986	Pct. Change
AMC						
Cars	1,039	940	+10.51	1,039	940	+10.51
Jeeps	1,377	1,225	+12.40	1,377	1,225	+12.40
CHRYSLER						
Cars	7,880	10,106	−22.02	7,880	10,106	−22.02
Trucks	3,776	3,966	−4.79	3,776	3,966	− 4.79
GM						
Cars	17,701	25,673	−31.05	17,701	25,673	− 31.05
Trucks	9,140	10,082	−9.34	9,140	10,082	−9.34
FORD						
Cars	11,385	11,262	+1.09	11,385	11,262	+ 1.09
Trucks	8,688	8,454	+ 2.76	8,688	8,454	+ 2.76
VOLVO						
Cars	565	582	− 2.92	565	582	− 2.92
TOTAL CAR	38,570	48,563	−20.57	38,570	48,563	− 20.57
TOTAL TRUCK	22,981	23,727	− 3.14	22,981	23,727	+ 3.14

Pontiac Grand Am and Oldsmobile Delta 88 were GM's best-selling models in January.

Volvo car sales also fell last month. The Swedish carmaker sold 565 cars in January, off 2.92 percent from 582 a year-ago.

Ford and AMC were the only makers to post gains in truck sales. Jeep dealers in Canada sold 1,377 units last month, up 12.4 percent from 1,225 a year earlier.

Ford sold 8,688 trucks in Canada last month, up 2.76 percent from 8,454 in 1986. Ford continued to offer incentives on its Ranger model during January.

GM sold 9,140 trucks last month, off 9.34 percent from a year earlier when it sold 10,082 trucks. Chrysler sold 3,776 trucks during the month, down 4.79 percent from last year when 3,966 were sold.

MARKET SHARES
January 1987

Cars	
General Motors	45.90%
Ford Motor Co.	29.51%
Chrysler Motors	20.43%
American Motors	2.70%
Volvo	1.46%
Trucks	
General Motors	39.77%
Ford Motor Co.	37.80%
Chrysler Motors	16.43%
Jeep	6.00%

Korea's new policies shake up industry

By Andrew Tank
STAFF CORRESPONDENT

SEOUL, South Korea — The liberalization of the South Korean auto market is causing a dramatic shake-up of domestic automakers.

Since Jan. 1, Korean auto firms have been permitted to sell any type of vehicle. This comes on the heels of a five-year, state-controlled carve-up of the vehicle market, which restricted firms to selling certain types of vehicles.

January sales figures show domestic sales up 30 percent over last year, but the bonanza is shared unevenly. Daewoo Motor Co. increased sales almost 75 percent, Hyundai Motor Co.'s sales rose more than 45 percent, while Kia Motor Co.'s sales fell 3.9 percent.

Daewoo's success is due to its export-quality LeMans subcompact. Kia's decline is due to the termination of its monopoly on small commercial vehicles.

The most significant development in terms of the international market is the early success of Hyundai's light-duty commercial vehicles. The vehicles are expected to be exported once they are proved at home.

In January, Hyundai took orders for more than 1,100 Grace minibus/van vehicles, sold more than 900 one-ton Porter trucks, and started selling its 2.5-ton Mighty truck. It also sold 5,000 subcompacts (Excel and Presto) and 2,800 mid-sized Stellar, Sonata and Grandeur cars. The company sold 9,668 vehicles last month, up from 6,600 in January 1986.

Meanwhile, Daewoo last month sold almost 3,000 subcompacts (LeMans and Maepsy), 1,300 mid-sized cars (Royal Salon, Prince Salon) and 650 other vehicles. Daewoo also started marketing its Elf-II 2.5-ton truck.

In contrast, Kia's market share has been severely hit. It managed to hold on to customers for its popular Besta minibuses/vans and even to post an 8-percent sales increase over January 1986. But sales of its one-ton trucks fell 12 percent to 2,800, and sales of 2.5-ton trucks fell 42 percent to 430 compared with January last year.

CHRYSLER

FROM PAGE 1

over here is selling some cars that say Dodge on them and they may or may not do the things that we need?" Robertson asked.

"Just to be absurd," he said, "if they were to do a sporty-looking car with a velour interior and opera lamps, it would clearly make the wrong statement for Dodge.

"Not that I'm suggesting these guys are crazy. Far from it. But there is some serious discussion about how much synergy we want to have."

The management of Mitsubishi products sold in Dodge and Plymouth showrooms currently is handled by a designated staff within Chrysler Motors Import Operations.

Marketing has stressed their Japanese origin and is aimed at the so-called import buyer.

Mitsubishi Motors Corp. does not favor merging management of its imports into the brand structure, according to Robertson.

"MMC has expressed concern that if we simply swept their products into the rest of the array, they would not get the special attention and the focus they get as a discrete function," Robertson said. "MMC would prefer to deal with a dedicated group whose interests are purely the distribution of MMC products."

Discussions regarding retaining management of the imports as a separate function have included the possibility of housing the Mitsubishi line in a separate showroom.

"Let's say you really wanted to separate them and dedicate your attention to them," Robertson said. "Then, would you be better off merchandising them as a separate franchise? We've talked about that. They're just ongoing conversations about would this make sense or would that make sense.

"My personal guess is that we will not do a separate import franchise. That we will continue to sell under domestic brand names and work as hard as we ever have to try to slot them in," Robertson said.

Dealer sources indicated that some dealers had been approached about their willingness to establish a separate import showroom on a test-market basis. The proposal, however, has apparently not been acted on, dealer sources said.

Robertson said the debate over positioning the imports is being played out against a backdrop of increasing international competition. Customers can no longer simply claim to be shopping for a Japanese import vs. a domestic vehicle.

"If people used to go shopping for a Japanese import rather than just a car or a domestic car, I don't know what they are doing these days now that there are Brazilian imports, Korean imports, joint-venture cars, transplant cars and we at Chrysler are bringing in cars from Canada and Mexico," Robertson said.

"The whole thing has become so much more complicated. And that's the scenery against which all of these discussions are played out: Do you want to be seen as an import franchise or a domestic franchise?"

U.S. IMPORT SALES

	Jan., 1987	Jan., 1986	1 Mon., 1987	1 Mon., 1986
ACURA	5,667	0	5,667	0
Integra	3,533	0	3,533	0
Legend	2,134	0	2,134	0
ALFA ROMEO	511	404	511	404
AUDI	2,072	5,113	2,072	5,113
4000S	351	996	351	996
4000CS Quattro	207	396	207	396
5000S	1,057	2,679	1,057	2,679
5000CS Turbo	175	597	175	597
5000CS Turbo Quattro	185	207	185	207
Coupe GT	97	238	97	238
BMW	5,013	6,044	5,013	6,044
318i	1	268	1	268
524 TD	5	224	5	224
325	3,470	3,534	3,470	3,534
528e	786	818	786	818
535i/535iS	376	498	376	498
635CSI	142	230	142	230
735/L-7	231	472	231	472
M-Series	2	0	2	0
CHEVROLET	9,928	9,981	9,926	9,981
Spectrum	6,056	4,763	6,056	4,763
Sprint	3,872	5,218	3,872	5,218
CHRYSLER/MITSUBISHI	8,703	11,871	8,703	11,871
Colt	6,019	8,969	6,019	8,969
Conquest	648	449	648	449
Vista	2,036	2,453	2,036	2,453
HONDA	20,482	37,018	20,482	37,018
Civic/CRX	9,734	21,663	9,734	21,663
Accord	6,705	8,790	6,705	8,790
Prelude	4,043	6,565	4,043	6,565
HYUNDAI	18,006	0	18,006	0
ISUZU	1,950	2,884	1,950	2,884
I-Mark	1,015	1,737	1,015	1,737
Impulse	935	1,147	935	1,147
JAGUAR	1,057	1,011	1,057	1,011
XJ6	820	791	820	791
XJS	237	220	237	220
MASERATI	60	125	60	125
MAZDA	11,043	18,993	11,043	18,993
323	3,972	7,069	3,972	7,069
626	4,558	8,065	4,558	8,065
RX-7	2,513	3,859	2,513	3,859
MERCEDES BENZ	6,124	7,692	6,124	7,692
190	1,357	1,888	1,357	1,888
260E	256	0	256	0
300	1,682	3,074	1,682	3,074
300SDL Turbo	448	517	448	517
420SEL	908	0	908	0
560SEL	466	484	466	484
560SL	854	841	854	841
560SEC	115	123	115	123
Tourist	38	84	38	84
MERKUR	410	1,075	4103 5	1,075
MITSUBISHI	2,236	4,090	2,2[illegible]	4,090
Starion	234	493	234	493
Cordia	180	412	180	412
Tredia	194	886	194	886
Mirage	728	1,142	728	1,142
Galant	710	1,157	710	1,157
Van/Wagon	280	0	280	0
NISSAN	36,000	37,337	36,000	37,337
Sentra	10,659	9,336	10,659	9,336
Pulsar	5,469	4,178	5,469	4,178
Stanza	5,343	4,981	5,343	4,981
Maxima	7,225	9,477	7,225	9,477
200SX	3,233	4,383	3,233	4,383
300ZX	3,804	4,701	3,804	4,701
Hawaii	267	281	267	281
PEUGEOT	919	959	919	959
PORSCHE	1,654	1,733	1,654	1,733
924S	131	0	131	0
944	415	754	415	754
944S	216	0	216	0
944 Turbo	196	349	196	349
911 Coupe	294	269	294	269
911 Turbo	75	86	75	86
911 Cabriolet	155	101	155	101
928S	172	174	172	174
RENAULT	0	350	0	350
18i	0	150	0	150
Fuego	0	200	0	200
SAAB	3,681	3,129	3,681	3,129
900	786	1,026	786	1,026
900S	1,195	783	1,195	783
900 Turbo	645	586	645	586
9000 Turbo	1,012	734	1,012	734
Tourist	43	35	43	35
SUBARU	8,998	16,740	8,998	16,740
Hatchback	717	1,581	717	1,581
3 Door	735	296	735	296
4-Door Sedan	2,061	5,146	2,061	5,146
XT	989	2,026	989	2,026
Station Wagon	3,910	7,458	3,910	7,458
Brat	264	233	264	233
Justy	322	0	322	0
TOYOTA	29,305	45,285	29,305	45,285
Corolla	5,159	10,888	5,159	10,888
Tercel	4,373	5,711	4,373	5,711
Celica	4,570	9,243	4,570	9,243
Supra	1,942	411	1,942	411
Camry	9,041	11,025	9,041	11,025
Cressida	1,491	2,288	1,491	2,288
Land Cruiser	328	463	328	463
Van	910	1,747	910	1,747
4Runner SR 5	102	514	102	514
MR2	1,050	2,371	1,050	2,371
Hawaii	339	624	339	624
VOLKSWAGEN	5,574	10,505	5,574	10,505
Cabriolet	678	860	678	860
Jetta	3,516	7,629	3,516	7,629
Vanagon	508	781	508	781
Quantum	427	670	427	670
Scirocco	445	565	445	565
VOLVO	12,619	12,080	12,619	12,080
240 Series	6,099	5,935	6,099	5,935
740 Series	5,028	4,588	5,028	4,588
760 Series	1,425	1,161	1,425	1,161
780	1	0	1	0
Tourist	66	396	66	396
YUGO	4,174	2,834	4,174	2,834
IMPORT TOTAL	196,276	237,253	196,276	237,253

Total includes tourist deliveries.

U.S. output of '86 cars declines 1%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production for the 1986 model run dipped 1.11 percent from the 1985 total.

The manufacturers' revised totals show that 7,890,392 cars were assembled during the 1986 model run. That compares with 7,975,390 for the 1985 period.

General Motors reported production of 4,350,839 cars, down 3.11 percent from 4,490,883 in the 1985 model run.

Ford Motor Co. built 1,809,604 cars, a 4.25 percent increase from 1,735,782 in the 1985 model run.

Chrysler Motors' total declined 11.13 percent to 1,168,836 from 1,315,326.

American Motors' 1986 model-run output of 64,873 was 56.80 percent below the prior year's 150,189.

New United Motor Manufacturing Inc., the GM-Toyota joint venture, assembled more than six times as many cars in the 1986 model run as in the 1985 period. The figures were 179,026 vs. 27,943.

The three foreign-based U.S. producers also showed output gains during the 1986 model run. Nissan Motor Manufacturing Co. U.S.A. reported 50,763, up from 17,368. Honda of America Manufacturing Inc. was up 16.76 percent to 181,101 from 155,102, and Volkswagen of America was up 3.08 percent to 85,350 from 82,797.

Automotive Industries to build Indiana plant

TORONTO — Automotive Industries, Strasburg, Va., will construct a $12 million (U.S.) plant in Greencastle, Ind., to make door panels and interior trim for Diamond-Star Motors, Bloomington, Ill., and a Ford plant in Louisville, Ky.

The plant is expected to be completed in September 1987, with full production achieved by late 1988. At that time, the plant will employ 200 persons.

Redpath Industries, parent company of Automotive Industries, estimated the new plant's annual sales at $20.6 million.

OBITUARIES

Nicholas Lattof

ARLINGTON HEIGHTS, Ill. — Dealer Nicholas Lattof, 85, died Jan. 27. He opened the dealership that is now Lattof Chevrolet in 1936. Mr. Lattof was the Time Magazine Quality Dealer of the Year in 1971.

Sidney Trencher

GLEN COVE, N.Y. — Sidney Trencher, 67, founder and president of North Country Motors Ltd., Great Neck, N.Y., and Trencher Motors Ltd., Amityville, N.Y., and Glen Cove, N.Y., died Jan. 7.

Edward F. Moore Jr.

CONSHOHOCKEN, Pa. — Edward F. Moore Jr., 63, president of E.F. Moore Inc. (Chevrolet-Oldsmobile) here, died Feb. 3. Mr. Moore was secretary-treasurer of the Tri-State Chevrolet Dealers Association and former secretary-treasurer of the Philadelphia-Camden Metropolitan Chevrolet Dealers Association.

U.S. CAR OUTPUT, MODEL YEAR 1986 VS. 1985

	1986 Model Year	Pct. of Output	1985 Model Year	Pct. of Output	Pct. of Change '86 vs. '85
AMERICAN MOTORS	64,873	0.82	150,189	1.88	−1.06
Renault Total	64,873	0.82	150,189	1.88	−1.06
Alliance	55,821	0.71	91,664	1.15	−0.44
Encore	9,052	0.11	58,525	0.73	−0.62
CHRYSLER MOTORS	1,168,836	14.81	1,315,326	16.49	−1.68
Plymouth Total	350,573	4.44	393,711	4.94	−0.49
Horizon	144,170	1.83	156,073	1.96	−0.13
Sundance	0	0.00	0	0.00	0.00
Reliant	153,362	1.94	166,966	2.09	−0.15
Caravelle*	44,110	0.56	51,504	0.65	−0.09
Gran Fury	8,931	0.11	19,168	0.24	−0.13
Chrysler Total	367,898	4.66	420,780	5.28	−0.61
Laser	43,210	0.55	58,337	0.73	−0.18
LeBaron	96,760	1.23	101,028	1.27	−0.04
LeBaron GTS	83,478	1.06	70,957	0.89	+0.17
N.Y./E-Class	59,533	0.75	70,143	0.88	−0.12
Fifth Avenue	84,917	1.08	120,315	1.51	−0.43
Dodge Total	450,365	5.71	500,835	6.28	−0.57
Daytona	46,761	0.59	50,107	0.63	−0.04
Omni	136,701	1.73	146,731	1.84	−0.11
Shadow	0	0.00	0	0.00	0.00
Aries	122,167	1.55	141,841	1.78	−0.23
Dodge 600	69,956	0.89	69,352	0.87	+0.02
Lancer	56,627	0.72	50,942	0.64	+0.08
Diplomat	18,153	0.23	41,862	0.52	−0.29
FORD MOTOR	1,809,604	22.93	1,735,782	21.76	+1.17
Ford Division	1,253,525	15.89	1,149,427	14.41	+1.47
Escort	390,227	4.95	364,345	4.57	+0.38
EXP	0	0.00	26,462	0.33	−0.33
Mustang	224,410	2.84	156,514	1.96	+0.88
Tempo	166,078	2.10	201,535	2.53	−0.42
LTD	72,483	0.92	205,535	2.58	−1.66
Taurus	236,362	3.00	0	0.00	+3.00
Thunderbird	163,965	2.08	151,852	1.90	+0.17
Crown Victoria	0	0.00	43,184	0.54	−0.54
L-M Division	556,079	7.05	586,355	7.35	−0.30
Mercury Total	399,240	5.05	419,869	5.26	−0.20
Lynx	71,559	0.91	80,551	1.01	−0.10
Capri	20,869	0.26	18,654	0.23	+0.03
Topaz	46,683	0.59	62,091	0.78	−0.19
Cougar	135,909	1.72	117,274	1.47	+0.25
Marquis	28,582	0.36	104,198	1.31	−0.94
Sable	95,638	1.21	0	0.00	+1.21
Grand Marquis	0	0.00	37,101	0.47	−0.47
Lincoln Total	156,839	1.99	166,486	2.09	−0.10
Continental	19,012	0.25	28,253	0.35	−0.11
Lincoln	117,771	1.49	119,878	1.50	−0.01
Mark VII	20,056	0.25	18,355	0.23	+0.02
GENERAL MOTORS	4,350,839	55.15	4,490,883	56.32	−1.17
Buick Total	850,103	10.77	1,002,906	12.58	−1.80
Skyhawk	91,421	1.16	82,516	1.03	+0.12
Century	274,507	3.48	257,192	3.22	+0.25
Regal	91,230	1.16	124,546	1.56	−0.41
Skylark (X-Car)	0	0.00	93,157	1.17	−1.17
Somerset/Skylark	137,855	1.75	86,071	1.08	+0.67
LeSabre (fwd)	94,972	1.20	0	0.00	+1.20
LeSabre/Electra	18,126	0.23	157,256	1.97	−1.74
Electra	119,854	1.52	136,863	1.72	−0.20
Riviera	22,138	0.28	65,305	0.82	−0.54
Cadillac Total	281,683	3.57	384,840	4.83	−1.26
Cimarron	24,534	0.31	19,890	0.25	+0.06
Cadillac (rwd)	49,137	0.62	51,701	0.65	−0.03
DeVille (fwd)	167,572	2.12	197,093	2.47	−0.35
Eldorado	21,342	0.27	76,401	0.96	−0.69
Seville	19,098	0.24	39,755	0.50	−0.26
Chevrolet Total	1,368,836	17.35	1,418,098	17.78	−0.43
Chevette	103,244	1.31	123,499	1.55	−0.24
Camaro	192,219	2.44	180,018	2.26	+0.18
Cavalier	432,101	5.48	383,785	4.81	+0.66
Celebrity	241,942	3.07	270,418	3.39	−0.32
Citation	0	0.00	62,722	0.79	−0.79
Corsica/Beretta	0	0.00	0	0.00	0.00
Monte Carlo	119,210	1.51	122,057	1.53	−0.02
Chevrolet	245,011	3.11	235,870	2.96	+0.15
Corvette	35,109	0.44	39,729	0.50	−0.05
Oldsmobile Total	1,050,756	13.32	1,165,649	14.62	−1.30
Firenza	46,701	0.59	49,040	0.61	−0.02
Calais	151,291	1.92	106,257	1.33	+0.59
Cutlass Ciera	287,622	3.65	316,753	3.97	−0.33
Cutlass Supreme	169,307	2.15	240,216	3.01	−0.87
88 (fwd)	234,266	2.97	0	0.00	+2.97
88 (rwd)	21,073	0.27	241,765	3.03	−2.76
Olds 98	124,572	1.58	169,433	2.12	−0.55
Toronado	15,924	0.20	42,185	0.53	−0.33
Pontiac Total	799,461	10.13	519,390	6.51	+3.62
Acadian*	21,643	0.27	8,992	0.11	+0.16
Fiero	83,974	1.06	76,371	0.96	+0.11
1000	21,689	0.27	25,855	0.32	−0.05
Firebird	110,483	1.40	95,880	1.20	+0.20
2000 Sunbird	135,101	1.71	111,899	1.40	+0.31
Grand Am	223,596	2.83	82,560	1.04	+1.80
6000	117,887	1.49	35,726	0.45	+1.05
Bonneville	0	0.00	0	0.00	0.00
Safari/Parisienne	85,088	1.08	82,107	1.03	+0.05
HONDA	181,101	2.30	155,102	1.94	+0.35
Civic	2,860	0.04	0	0.00	+0.04
Accord	178,241	2.26	155,102	1.94	+0.31
NISSAN	50,763	0.64	17,368	0.22	+0.43
NUMMI (Nova)	179,026	2.27	27,943	0.35	+1.92
Corolla	0	0.00	0	0.00	0.00
Nova	179,026	2.27	27,943	0.35	+1.92
VOLKSWAGEN	85,350	1.08	82,797	1.04	+0.04
Golf/GTI	85,350	1.08	82,797	1.04	+0.04
Jetta	0	0.00	0	0.00	0.00
Total Cars U.S.	7,890,392	100.00	7,975,390	100.00	

*Built for sale in Canada only.
Percentage rounded.

PRODUCTION

Car output dips to 174,924 after highest week of year

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's domestic auto production was pegged at 174,924 cars, 1.49 percent below the previous week's 177,573 but 2.49 percent more than the year-ago week's 170,667.

The prior week's build was the highest for any week since the 178,068 assembled the week ended Dec. 20.

So far this year, 987,231 cars have been produced, 10.74 percent below the 1,106,051 completed last year at this point.

Last week's targeted auto output was split as follows: General Motors, 52.46 percent; Ford Motor Co., 25.20 percent; Chrysler Motors, 13.21 percent; Honda of America Manufacturing Inc., 3.57 percent; New United Motor Manufacturing Inc., 2.29 percent; Nissan Motor Manufacturing Co., U.S.A., 1.67 percent; Volkswagen of America, 1.14 percent; and American Motors, 0.46 percent.

GM has increased its number of indefinite layoffs by 3,500 to 33,500. The company said the layoffs are a result of previously reported scheduled adjustments at various GM assembly and components plants.

GM's Norwood, Ohio, plant will be idle for one week starting Feb. 23 for inventory adjustment. The Norwood plant assembles the Pontiac Firebird and Chevrolet Camaro.

GM's Arlington, Texas, plant remains down for installation of paint equipment. The plant is expected to resume output Feb. 23.

Saturday (Feb. 14) overtime was slated for GM's Lansing, Mich., (No. 1) plant.

Ford's Atlanta and Lorain, Ohio, plants were scheduled for Saturday overtime.

All Ford plants except Wixom, Mich., are slated for daily overtime this week (Feb. 16).

Chrysler's Detroit (Jefferson Avenue), and St. Louis (No. 1) plants were scheduled for Saturday overtime.

Daily overtime is slated this week for the following Chrysler plants: Belvidere, Ill.; Newark, Del.; and Sterling Heights, Mich.

Truck assembly steady at 77,445

Domestic truckmakers have extended their year-to-date lead over 1986.

So far this year, 462,463 trucks have been assembled, 1.39 percent more than the 456,120 built last year at this time.

Last week's scheduled truck production totaled 77,445, 0.95 percent below the previous week's 78,185 but 8.03 percent more than the year-ago week's 71,668.

Ford Motor Co. slated Saturday (Feb. 14) overtime at its Norfolk, Va., and Twin Cities, Minn., plants.

All Ford truck plants are scheduled for daily overtime this week (Feb. 16).

Chrysler Motors' Warren, Mich., plant is slated for daily overtime this week.

Canadian auto production climbs

Canadian automakers scheduled production of 21,451 cars last week, 7.34 percent more than the previous week's 19,985 and slightly higher (0.83 percent) than the year-ago week's 21,275.

Year-to-date, 116,039 cars have been assembled, 9.84 percent below the 128,699 completed last year at this time.

Truck production was estimated at 17,957 units last week, 11.38 percent more than the prior week's 16,123 but 5.21 percent below the year-ago week's 18,943.

So far this year, 96,363 trucks have been built, 19.33 percent below the 119,447 assembled last year at this point.

CANADIAN CAR	Week Ended Feb. 14, 1987	Week Ended Feb. 15, 1986	Week Ended Feb. 7, 1987	Feb. to Date	Jan. 1 to Feb. 15, 1986	Jan. 1 to Feb. 14, 1987
AMERICAN MOTORS	150	0	151	301	1,200	906
FORD MOTOR	11,645	11,231	10,959	22,604	71,651	66,653
GENERAL MOTORS	9,281	9,819	8,502	17,783	54,436	46,430
HONDA	150	0	126	276	0	655
VOLVO	225	225	247	472	1,412	1,395
Total Cars, Canada	21,451	21,275	19,985	41,436	128,699	116,039

U.S. TRUCK☆	Week Ended Feb. 14, 1987	Week Ended Feb. 15, 1986	Week Ended Feb. 7, 1987	Feb. to Date	Jan. 1 to Feb. 15, 1986	Jan. 1 to Feb. 14, 1987
CHEVROLET	21,938	25,177	22,481	44,419	160,531	133,920
DODGE	5,000	0	5,273	10,273	0	28,162
FORD	32,693	29,279	32,806	65,499	186,350	194,692
GMC	7,590	7,231	7,845	15,435	48,327	45,427
NAVISTAR	1,607	1,489	1,280	2,887	9,433	9,093
JEEP	4,537	4,299	4,517	9,054	30,972	26,890
NISSAN	1,730	1,763	1,633	3,363	5,985	10,179
AM GENERAL*	50	50	50	100	322	300
MISCELLANEOUS*	2,300	2,400	2,300	4,600	14,200	13,800
Total Trucks, U.S.	77,445	71,688	78,185	155,630	456,120	462,463

CANADIAN TRUCK	Week Ended Feb. 14, 1987	Week Ended Feb. 15, 1986	Week Ended Feb. 7, 1987	Feb. to Date	Jan. 1 to Feb. 15, 1986	Jan. 1 to Feb. 14, 1987
AMERICAN MOTORS	625	0	642	1,267	0	3,735
CHRYSLER	8,964	8,813	9,324	18,288	57,297	52,896
FORD	3,648	3,582	3,185	6,833	22,381	19,761
GENERAL MOTORS	4,520	6,368	2,776	7,296	38,692	18,775
NAVISTAR	200	180	196	396	1,077	1,196
Total Trucks, Canada	17,957	18,943	16,123	34,090	119,447	96,363
N. American Trucks	95,402	90,631	94,308	189,710	575,567	558,826

•—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Feb. 14, 1987	Week Ended Feb. 15, 1986	Week Ended Feb. 7, 1987	Feb. to Date	Jan. 1 to Feb. 15, 1986	Jan. 1 to Feb. 14, 1987
AMERICAN MOTORS	800	0	687	1,487	2,823	4,578
Renault Total	800	0	687	1,487	2,823	4,578
Alliance	800	0	687	1,487	2,378	4,578
Encore	0	0	0	0	445	0
CHRYSLER MOTORS	23,100	30,860	27,559	50,659	196,018	152,254
Plymouth Total	8,700	8,025	10,894	19,594	54,927	58,311
Horizon	3,300	2,968	4,016	7,316	19,977	22,374
Sundance	2,000	0	2,415	4,415	0	13,139
Reliant	2,400	3,586	3,197	5,597	25,179	15,901
Caravelle	1,000	1,212	1,266	2,266	8,158	6,897
Gran Fury	0	259	0	0	1,613	0
Chrysler Total	5,200	11,665	6,284	11,484	72,372	33,246
Laser	0	1,120	0	0	6,859	0
LeBaron K	1,700	2,838	2,095	3,795	17,668	10,265
LeBaron J	1,400	0	1,554	2,954	0	8,621
LeBaron GTS	700	2,528	994	1,694	15,647	4,568
New Yorker/E-Class	1,400	1,457	1,641	3,041	9,899	9,792
Fifth Avenue	0	3,722	0	0	22,299	0
Dodge Total	9,200	11,170	10,381	19,581	68,717	60,697
Daytona	700	986	781	1,481	6,629	4,332
Omni	3,000	3,178	3,412	6,412	20,357	19,472
Shadow	1,800	0	2,213	4,013	0	12,014
Aries	2,500	3,027	2,475	4,975	15,916	14,883
Dodge 600	800	1,569	954	1,754	10,640	6,412
Lancer	400	1,860	546	946	12,278	3,584
Diplomat	0	550	0	0	2,897	0
FORD MOTOR	44,075	32,952	43,861	87,936	226,320	257,184
Ford Division	30,455	22,381	30,007	60,462	153,350	175,518
Escort	7,877	7,727	7,642	15,519	50,945	45,077
Mustang	4,600	3,978	5,234	9,834	26,039	28,015
Tempo	4,183	4,077	4,033	8,216	27,458	24,602
Taurus	10,657	2,976	10,365	21,022	25,696	61,240
Thunderbird	3,138	3,623	2,733	5,871	23,212	16,584
L-M Division	13,620	10,571	13,854	27,474	72,970	81,666
Mercury Total	10,792	6,881	10,150	20,942	49,094	59,418
Lynx	1,563	1,337	1,505	3,068	9,392	8,030
Capri	0	365	0	0	2,725	0
Topaz	1,339	1,314	1,306	2,645	9,138	8,047
Cougar	4,667	2,436	4,077	8,744	15,254	24,771
Sable	3,223	1,429	3,262	6,485	12,585	18,570
Lincoln Total	2,828	3,690	3,704	6,532	23,876	22,248
Continental	283	410	370	653	2,789	2,230
Lincoln	2,122	2,767	2,777	4,899	17,916	16,685
Mark VII	423	513	557	980	3,171	3,333
GENERAL MOTORS	91,779	96,571	89,192	180,971	519,346	479,482
Buick Total	14,802	13,800	13,298	28,100	100,411	83,526
Skyhawk	1,771	1,756	668	2,439	11,650	6,533
Century	4,481	3,739	4,338	8,819	33,700	25,416
Regal	1,142	735	1,202	2,344	4,879	6,017
Somerset/Skylark	1,775	1,735	1,860	3,635	13,080	12,532
LeSabre (fwd)	2,260	2,153	1,771	4,031	10,845	12,587
LeSabre/Electra (rwd)	480	261	465	945	1,498	3,530
Electra (fwd)	2,534	3,064	2,625	5,159	22,130	12,997
Riviera	359	357	369	726	2,629	3,914
Cadillac Total	6,934	6,016	6,536	13,470	39,700	42,446
Cimarron	420	423	249	669	2,799	2,832
Allante	45	0	52	97	0	264
Brougham (rwd)	1,820	1,941	1,764	3,584	8,827	10,121
DeVille (fwd)	4,000	3,023	3,779	7,779	23,322	21,712
Eldorado	313	371	265	578	2,783	2,366
Seville	336	258	427	763	1,969	5,151
Chevrolet Total	34,681	30,585	35,142	69,823	213,631	170,880
Chevette	0	2,514	0	0	16,858	0
Camaro	2,500	5,075	2,863	5,363	31,709	11,485
Cavalier	9,020	9,653	7,708	16,728	60,718	44,280
Celebrity	8,257	6,298	8,327	16,584	39,774	49,116
Corsica/Beretta	7,041	0	8,692	15,733	0	31,263
Monte Carlo	1,608	2,374	1,705	3,313	16,673	7,020
Chevrolet	5,615	3,770	5,197	10,812	46,847	23,841
Corvette	640	901	650	1,290	1,052	3,875
Oldsmobile Total	17,668	27,268	17,515	35,183	154,240	92,125
Firenza	624	1,035	349	973	6,578	3,308
Calais	3,025	3,286	2,967	5,992	20,489	16,289
Cutlass Ciera	4,842	7,065	4,737	9,579	44,674	25,535
Cutlass Supreme	1,270	5,868	1,113	2,383	27,502	3,092
88 (fwd)	5,184	6,488	5,604	10,788	29,904	27,841
88 (rwd)	405	444	446	851	3,823	2,553
Olds 98	2,078	2,827	2,032	4,110	19,366	10,574
Toronado	240	255	267	507	1,904	2,833
Pontiac Total	17,694	18,902	16,701	34,395	111,364	90,505
Acadian*	0	482	0	0	1,400	0
Fiero	1,050	2,402	972	2,022	9,526	3,518
1000	0	1,037	0	0	4,122	0
Firebird	2,585	2,724	2,520	5,105	16,970	9,783
2000 Sunbird	2,684	2,910	2,717	5,401	18,526	13,889
Grand Am	6,240	4,069	5,311	11,551	27,979	32,556
6000	1,560	3,484	1,628	3,188	19,575	10,119
Bonneville	3,150	0	3,068	6,238	0	19,099
Safari/Parisienne	425	1,794	465	890	13,264	1,541
HONDA	6,250	3,783	7,247	13,497	23,838	41,848
Civic	2,330	0	2,803	5,133	0	17,927
Accord	3,920	3,783	4,444	8,364	23,838	23,921
NISSAN	2,920	1,787	2,889	5,809	12,481	17,531
NUMMI	4,000	2,970	4,135	8,135	15,010	24,423
Corolla	750	0	838	1,588	0	4,982
Nova	3,250	2,970	3,297	6,547	15,010	19,441
VOLKSWAGEN	2,000	1,744	2,003	4,003	10,217	9,931
Golf/GTI	1,750	1,744	1,753	3,503	10,217	8,681
Jetta	250	0	250	500	0	1,250
Total Cars, U.S.	174,924	170,667	177,573	352,497	1,106,051	987,231
Total Cars, Canada	21,451	21,275	19,985	41,436	128,699	116,039
N. American Cars	196,375	191,942	197,558	393,933	1,234,750	1,103,270
N. American Trucks	95,402	90,631	94,308	189,710	575,567	558,826
North American Cars and Trucks	291,777	282,573	291,866	583,643	1,810,317	1,662,096

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Janesville to build new GM medium

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The Buick-Oldsmobile-Cadillac plant in Janesville, Wis., will build the new Chevrolet and GMC medium-duty truck planned for introduction in the 1990 model year.

The move could eliminate the jobs of 2,000 workers at the Truck & Bus Group's Pontiac Central plant in Pontiac, Mich., which currently builds medium-duty trucks. Production of that truck in Pontiac is expected to end by 1990.

A spokeswoman for the General Motors Truck & Bus Group said that among the factors that influenced the decision were:

Janesville's new local agreement that includes reduced job classifications; a workforce experienced in building trucks; the right-sized production area — one million square feet, versus two million at Pontiac; the Janesville plant's reputation for a high level of quality; and "an excellent labor climate."

The Janesville plant builds full-size GM pickups that are scheduled to be phased out in July. Production of crew cab and cab-chassis models will be transferred from the St. Louis assembly plant to Janesville this summer and will continue until 1989.

The Janesville plant also builds the Cadillac Cimarron and Chevrolet Cavalier.

The decision is another in a series of blows to the city of Pontiac, where GM has announced the closing of a Central Foundry Division plant, the sale of its bus operation and the end of heavy-duty truck production.

Don E. Douglas, president of UAW Local 594, which represents the Pontiac truck plant, said the "only logical reason for GM's decision is to make room for another product." He said that "it would make sense if we picked up the Blazer and Suburban" since Flint will not build them beyond this model year.

Douglas said GM's decision "comes as no surprise to us. We have felt confident that GM has known for some time that the truck would be built in Janesville."

He said his local turned down GM's request to negotiate early on the local contract that expires in the fall. GM wanted a "new, progressive" agreement, he said, eliminating traditional job classifications.

"We have an excellent agreement, and there was no guarantee any jobs would be saved if we tore it up," he said.

The company hasn't proven the value of reducing classifications, Douglas said.

The Pontiac plant, which is divided into East, West and Central divisions, makes the C/K pickup, medium and heavy-duty trucks and coaches, and the S-truck.

The workers who build medium-duty trucks have seniority rights to move to Janesville, Douglas said, but only 1,800 will be needed to build the new truck. Janesville currently has about that number building pickups.

Douglas said the 9,000 members of Local 594 will take a strike vote Feb. 19. He said a thousand grievances have been filed over misclassifying workers, promoting them improperly and trying to eliminate negotiated relief time.

2/25/87 C 2700-1

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EPA is facing tough decision on air in cities

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — EPA Administrator Lee Thomas is between a rock and a hard place. At the end of this year as many as 70 metropolitan areas of the United States will not comply with federal ozone control limits.

If Thomas proposes strict pollution control measures to enforce the clean air standards, his agency risks a severe public outcry. Those measures could include gasoline rationing or other restrictions on vehicle operation.

If he does not propose effective ozone control measures, the agency will have to impose sanctions against non-attainment areas. Those sanctions include bans on future construction of polluting facilities, loss of federal highway construction money and the loss of federal funds for water treatment facilities.

Faced with these two equally undesirable alternatives, Thomas went before the House subcommittee on Health and the Environment last week to ask for advice. All he received was a reminder that he is the chief environmental protection official of the United States and that Congress wants the law enforced.

That is because Congress is also in a difficult position. When Congress passed the Clean Air Act it directed EPA to set the ozone standards on the basis of what science believes is healthy for humans. Under the law, EPA is barred from considering the feasibility of meeting the standard or its potential cost when determining how much pollutant can be allowed in the air.

Congress must insist that the limits be observed, it seems, or risk criticism for ignoring public health. EPA is already being sued by various public interest groups for not proposing ozone control strategies.

Thomas was told by subcommittee chairman Henry Waxman, D-Calif., that the best Congress can do is to pass an even tougher clean air law this year that might contain another extension of the ozone control deadline. Waxman said the extension would be "conditioned on strengthening (EPA's) regulatory powers and implementation of many of the measures that can achieve greater progress toward attainment."

One of the ozone control measures refered to by Waxman is the control of gasoline vapor that escapes into the air during vehicle refueling. Gasoline vapor is a volatile organic compound that reacts with nitrogen oxide and sunlight to form ozone. In the stratosphere, ozone acts to protect the earth from the sun's ultraviolet rays. At ground level, ozone is a pollutant that is associated with a variety of respiratory ailments.

Keys in these P&G products will allow 750 lucky consumers to win Chevy Corsica, Beretta or truck

GIVEAWAY: *Chevy, P&G join hands in $50 million promotion*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet and Procter & Gamble Co. will team up to merchandise Chevrolet's new Corsica, Beretta and pickup truck in what the automaker believes is the largest cross-promotional effort ever.

Procter & Gamble will commit nearly $40 million to the promotion and the advertising of it; Chevrolet will give away 750 vehicles, worth about $10 million.

There is no cost to dealers to participate in the program.

The promotion, which begins April 25, works like this: Plastic keys will be placed inside seven Procter & Gamble products — Tide, Bounty, Crest, Charmin, Folger's, Pampers and Downy.

The keys can be taken to the local Chevrolet dealership where they will be placed under a black light installed in a Corsica, Beretta or truck floor model. By viewing the key under the light, the dealership personnel will be able to tell if the key is a winner.

Winners may choose a 1987 Corsica or Beretta or a 1988 Chevy full-size pickup. Those who hold keys that are not instant winners will be eligible for a drawing in which more vehicles will be given away.

Chevrolet said it is interested in the promotion because 98 percent of U.S. households use one or more of the Procter & Gamble products included in the merchandising effort.

The promotion is intended to stimulate Chevrolet showroom traffic by requiring that the keys be brought into the dealership and by requiring that the person bringing in the key sit in one of the vehicles being promoted.

It is expected to attract many women, and Chevrolet has been particularly aggressive in going after the women's market. It also is intended to draw non-Chevrolet buyers. Chevrolet

see GIVEAWAY, page 56

Car output will drop in 2nd quarter

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

The car production forecast for the second quarter is a bit lower than last year's output, but all eyes are on General Motors. Analysts believe that GM will have to make further cutbacks or extend its incentives.

The second quarter domestic industry forecast of 2,062,069 is down 4.46 percent from the 2,158,227 built during the same period of 1986.

GM's second-quarter forecast of 1,142,708 cars is only 1.52 percent below the 1986 total of 1,160,346, but several analysts said that further trimming may be necessary.

SECOND QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	1,142,708	1,160,346	– 1.52
Ford	433,000	496,955	–12.87
Chrysler	279,000	352,168	–20.78
AMC	9,850	16,040	–38.59
Honda	84,455	51,871	+62.82
NUMMI	52,000	55,121	–5.66
Nissan	36,256	—	—
VW	24,800	25,726	–3.60
Industry	2,062,069	2,158,227	– 4.46

"If the domestic sales rate remains above 7.5 million, which is certainly encouraging, GM may not need to make drastic production cuts," said Scott Merlis, of Morgan Stanley. "If sales go down to a 5.8 million rate like we saw in January, the production planners will have to go back to the drawing board."

Does the answer lie in scaling back production or in offering incentives? Merlis believes that unlike 1986, GM is leaning toward cutting production.

Wendy Beale, analyst for Smith Barney, Harris Upham & Co., said the use of incentives will depend upon how aggressive GM decides to be to increase its market share.

On that note, said analyst Mike Luckey, of Shearson Lehman Brothers, GM would be better off adjusting its schedule to keep inventory in line with sales. With the present production forecast, he said, GM will end up with an approximate 85-90 day-supply during the second quarter. The industry norm is about 60-65 days.

GM will be more inclined to cut production than to expand incentives, added David Healy, of Drexel Burnham Lambert Inc. Its production

see OUTPUT, page 59

'Team and tech' is SAE theme

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — "Teamwork and Technology" is the theme of the 1987 SAE International Congress, which opens today (Feb. 23) at Cobo Hall here.

Meeting highlights will include: a sold-out banquet of nearly 5,000 to hear guest speaker Donald E. Petersen, chairman of Ford Motor Co.; a family night program featuring Bob Bondurant, race-car driving expert; more than 450 exhibitors, including 40 new ones; and almost 700 technical presentations.

An emphasis will be placed on powerplants (50

see SAE, page 30

Mercedes-Benz engineer Klaus Sandkuhl examines an 1891 Daimler engine which is on display at SAE show

Market control in U.S. shifting to megadealers

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Megadealers, superdealers or just "the big guys." It doesn't really matter what you call them, multi-franchise dealers are growing in number — and growing fast.

Although there is no clear consensus about how many franchises a dealer must have to be considered a megadealer — two, three, five or more — most experts believe that within the next 10 years, those marketing and sales behe-

see MEGADEALERS, page 55

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ns Acura lineup
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Union, maker leaders differ on '87 goals
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Ford beats GM in profits
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Luxury 2-door joining Acura Legend lineup

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Honda Motor Co. has introduced a two-door luxury hardtop version of its Acura Legend model. It will be exported to the United States next month and to Canada in April.

Honda expects to sell 3,000 hardtops annually in Japan at prices equivalent to $25,500-$26,400.

The company said it aims to sell 25,000 units annually in the United States and another 1,000 in Canada.

The car is powered by a 2.7-liter, 24-valve V-6 engine, transverse-mounted and producing 180 horsepower.

The engine is similar to the four-door sedan's 2.5-liter powerplant, which produces 151 hp. The engine has a computerized, variable intake control system to improve air flow and reduce valve opening duration to provide high torque at all speeds.

Powered by a 2.7-liter, 24-valve V-6 engine, producing 180 horsepower

It is mated to a new four-speed automatic transmission that incorporates a driver-selectable sporty mode for quicker acceleration in addition to a regular, more economical setup. It features progressive torque converter lock-up capability in second, third and fourth gears and torque converter lock-up under deceleration.

A computer unit monitors and controls coolant temperature, throttle opening, vehicle speed, engine speed and five other functions to regulate torque-converter lock-up and shift points.

Described as "an exclusive personal luxury car incorporating Honda's latest technology," the new model is labeled a hardtop by the automaker, although it has B pillars.

According to Honda, "The hardtop look was made possible by using sashless doors and thin, almost unnoticeable pillars which are equal to conventional pillars in rigidity and strength."

The car is 191 inches long, 69.8 inches wide, 54.8 inches high and has a 108.2-inch wheelbase.

Newark plant gets Chrysler ultimatum

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTERB

Chrysler Motors has asked UAW Local 1183 at its Newark, Del., assembly plant to reconsider the union's rejection of a plant-saving labor agreement.

Chrysler said it will withhold future product from the plant if a "modern operating agreement" is not reached by March 4.

UAW Local 1183 officials declined comment.

The Newark plant has been scheduled to begin making — in late 1988 — Chrysler's A-body. The A-body is to replace the K-cars now assembled in the plant.

However, because UAW Local 1183 rejected Chrysler's request to negotiate a new operating agreement, the company has notified the International UAW that it is halting all facility construction and training, which were underway in preparation for the A-body.

In addition, the company said it is accelerating a study to find an alternative assembly site for the A-body. Chrysler said it is evaluating purchase or lease of an existing Midwest assembly plant as well as possible use of a "green-field" site.

The company did not name specific locations. However, Chrysler said a Midwest site would offer shipping efficiencies and improved productivity — providing a modern operating agreement was reached.

"Failure by less than half of UAW Local 1183 membership to authorize negotiation of a modern operating agreement is a serious setback to future employment prospects for the Newark assembly plant," Chrysler said in a statement. "We hope the employees will promptly reconsider their action.

"While Chrysler management recognizes the loyalty of Newark employees and the cooperation it has had from the State of Delaware and its local communities, we must consider the need to remain competitive with both foreign and transplant competition in the coming years," the company said.

Chrysler employs 4,300, including 3,800 hourly workers, at the Newark plant. The plant was built in 1952.

The union leadership had recommended reopening the existing local contract prior to the veto by the membership. The current local pact expires in September 1988.

Chrysler has linked negotiation of a new local labor agreement with future product scheduling at several plants during the past year. Citing efficiency and productivity gains, the company has sought changes such as reduced job classifications, pay-for-knowledge compensation and team production.

Permitting a reconsideration of the Newark vote would not be unprecedented. In August, Chrysler agreed to a second-chance vote at its Trenton, Mich., engine plant and averted a plant phase-out.

The Newark vote comes at a time when Chrysler's assembly capacity is strained. The company has entered an unprecedented agreement with American Motors to build its large rear-wheel-drive cars at AMC's Kenosha, Wis., plant. It is also seeking assembly of its subcompact Omni and Horizon America models at the AMC plant.

UAW ads call for fair-trade law

$2 million campaign attacks imports, stresses jobs and wages

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

To get across its message on trade, the UAW has begun a three-week, $2 million national TV ad campaign. The UAW said it is confident the message will "strike a responsive chord" with American viewers.

UAW President Owen Bieber said the ads "reflect and reinforce the belief of the American people that it's time for strong congressional action on the trade crisis facing the nation."

The campaign features three 30-second spots running in news, public affairs and prime-time slots on stations in 20 markets.

One spot, narrated by actor E.G. Marshall, attacks "cheap imports . . . from countries where corporations pay workers a fraction of U.S. wages." Marshall asks, "What happens to our young people if they have to match those wages to get a job?"

The two other ads show bleak scenes of vacant farms and closed factories. One of them asks, "What are we doing to America? We're letting other countries supply our food . . . our cars . . . our clothes . . . our electronics . . . and dependence on imports could one day shut down America."

All three spots end with a call for an effective trade policy.

The ad campaign follows through on the union's focus on trade legislation during its annual legislative conference held last week in Washington.

The conference included a demonstration on Capitol Hill and visits to legislators in support of UAW concerns, which include laws that would penalize nations for unfair trade practices.

To the list of trade practices considered unfair under U.S. law, the UAW wants to add violation of labor rights by foreign countries with dictatorial governments, such as South Korea. Such practices are called unfair in the trade bill now before the House.

The General Motors-Daewoo joint venture in Korea is scheduled to begin shipping LeMans automobiles to the United States in May.

In the conference's keynote address, President Owen Bieber said the union strongly resists "any approach to competitiveness that targets American wages and American working conditions for further reductions or erosion."

"If corporations just keep going where labor is cheapest . . . the Bangladesh standard of living is where we are headed," Bieber said.

He said that the first step toward strengthening the United States' competitive position is "reducing those horrendous trade deficits."

Bieber urged support for the trade bill introduced earlier this year in Congress and called for congressional action on plant-closing legislation to protect workers and communities.

Last week, members of Congress were preparing to introduce legislation requiring companies to give workers advance warning of plant shutdowns or mass layoffs.

In his address, Bieber blasted U.S. automakers for outsourcing and reducing capacity in the United States while adding plants in Mexico and "going flat-out in Canada."

Bieber said the union plans newspaper and radio advertising during the trade debate.

Keller: GM needs a 'car person'

NEW YORK — Auto industry analyst-critic Maryann Keller says a turnaround at General Motors will be achieved only when GM changes its corporate philosophy and appoints a "car person" to lead the company.

Keller, of Furman, Selz, Mager, Dietz & Birney Inc., did not out-and-out advocate a change in the current GM management, including GM Chairman Roger B. Smith, but she said after a meeting of the International Motor Press Association that new people at the top would help.

She added that GM cannot accomplish a turnaround without a basic philosophical change. GM, Keller said, has not been responsive to customers and dealers.

She suggested that GM should be asking itself why customers are not buying its cars and why GM dealers are seeking other franchises — including the new Sterling, hot among GM dealers, especially Cadillac dealers.

Keller termed the much ballyhooed GM reorganization a failure. She said the reorganization — which placed the car divisions in charge of marketing while two car groups ran production — should have worked, but it did not.

— John A. Russell

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Cadillac, Lincoln eye standards for limo converters

By Scott Miner
AUTOMOTIVE NEWS STAFF REPORTER

ATLANTIC CITY, N.J. — Cadillac and Lincoln may impose stricter standards on limousine converters.

If such measures are adopted, the automakers could limit who is allowed to buy vehicles for the purpose of converting them into limousines. The auto companies would decide who gets the nod based on which coachbuilders adhere to those standards.

Converters buy their cars from dealers. At present, the automakers have no control over what happens to the car after it is sold by the dealer.

No formal plans or standards have yet been adopted by either Cadillac or Lincoln-Mercury divisions, the primary source of vehicles for the industry.

However, James L. Centner, president of Moloney Coachbuilders, said his company has been talking with Cadillac and Lincoln for about three years about a "Master Coachbuilder" concept.

Limousine and Chauffeur Show in Atlantic City, N.J.

Moloney is one of the four top limousine conversion companies. Each produces about 1,000 limousines a year, and the four firms account for an estimated 80 percent of the limos built for sale in the United States.

Centner discussed the Master Coachbuilder program with Automotive News at the Limousine and Chauffeur Show here.

Cadillac officials have said their legal department is reviewing the situation before they decide on the next step.

see STANDARDS, page 54

Big-truck sales slip in January

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Medium and heavy-truck sales, with the exception of Class 5, nosedived in January.

However, strong order banks reported by several manufacturers are expected to lift the two segments during the next several months.

On the light-truck side, Chrysler was stunned by the slump in its Caravan/Voyager sales last month.

Some dealers feel that the Chrysler minivans may be suffering the effects of steady price hikes during the past year or so. Buyers also appear to be backing off from the 2.6-liter 4-cylinder-engine minivan models and waiting for the new V-6 which recently became available.

As one dealer pointed out, "If you're going to pay $15,000 for a Voyager, why not pay $15,500 and get the V-6."

At any rate, stronger Chrysler incentives — not only for Caravan/Voyager, but for other truck models — appear to be in the offing.

The industry retailed 295,300 trucks in January, off 14.0 percent from a year earlier.

Class 8 sales, including an estimate of 600 for Peterbilt, totaled 7,960 last month, off 12.7 percent from a year ago.

All Class 8 manufacturers except Peterbilt reported final sales.

Freightliner is one of those manufacturers with a strong order board. It currently has a six-month backlog of heavy-truck orders, according to Chairman Peter Rupp, who described the outlook at the recent Truck Rental and Leasing Association convention in Las Vegas.

Meanwhile, Class 7 sales of 7,168 were off 6.1 percent in January. Class 6 sales of 2,735 were off 19.7 percent from a year earlier.

Class 5 sales of 1,007 were a multiple of the 188 units sold in the category last year, reflecting the increased strength at GMC and the influx of several new importers.

Class 1-3 sales, as previously reported, totaled 276,430, off 14.4 percent from a year earlier.

UPTURN

Sales gain predicted for heavy trucks, but estimates range from a little to a lot

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck manufacturers and analysts are beginning to line up behind predictions of stronger 1987 heavy-truck sales, with the most-optimistic forecasts calling for up to 140,000 Class 8s being sold this year.

In calendar 1986, the industry sold a little less than 113,000 heavy-duty trucks.

Drexel Burnham Lambert Inc. and Volvo White joined Ford and Freightliner in predicting an upturn in Class 8 sales this year.

David Healy, analyst with Drexel Burnham Lambert, admitted that he's "more than a little on the high side" with his 140,000-unit Class 8 projection.

He pointed out, however, that the new-order rate for Class 8s had been running at well over 150,000 units in the second half of 1986 and "a lot of trucks are going to get sold."

The order rate is still very high, according to industry sources, even though January sales don't reflect that.

Normally, it takes three to six months to fill such orders, since many of those trucks are custom-built.

Freightliner currently has a six-month backlog of orders.

Freightliner Chairman Peter Rupp said that if overall industry sales didn't improve within the next few months over January's level his company's projection of 120,000 Class 8 sales is still attainable, but "We'll light have to a few candles in some churches" to achieve it.

Healy said that, after two years of declining sales and earnings, the industry is "kind of shell-shocked" by the recent upturn and cautious in its response to it. He feels that is why manufacturers' forecasts are more conservative than those of his company.

He added that there's been a good increase in the freight, or tonnage, carried by trucks as well as signs of an improving economy.

The American Trucking Associations' index of freight carried by trucks has been a particularly good indicator of the industry's past cycles, Healy added.

The ATA's freight index anticipated the sharp 1979-1980 recession, the aborted 1980-1981 recovery and the renewed recession that bottomed out in November 1982.

The index also anticipated the subsequent recovery that topped out in 1984, a 1984-1985 decline and a recovery that began in the second half of 1985 and strengthened in the second half of 1986, Healy pointed out.

Volvo-White, although revising its 1987 forecast upward a bit, is still looking for only 115,000 Class 8 sales.

Officials at a news media gathering in Greensboro, N.C., said that a tougher emission standard for Class 8 trucks, which had been due to take effect on Jan. 1, 1988, has been deferred until 1991.

That led them to predict that there wouldn't be heavy pre-buying in the third and fourth quarters of 1987, as had originally been anticipated.

Volvo, though, sees moderate interest rates, continued GNP growth of 2-3 percent and moderate inflation boosting the truck market.

Terry Young, director of marketing for Volvo White, also said the new tax law hasn't affected business investments as they relate to truck sales.

"People are finding ways to deal with the new tax law and are continuing to invest (in trucks and truck-related activities)," Young said.

Healy noted that since the investment tax credit really "died" at the end of 1985 (not 1986), and the depreciable life of "road tractors" (comprising most Class 8 trucks) remains at three years under the new tax law, there seemed to be little tax incentive for truck buyers to take delivery before year-end 1986.

Thus, he said, the upturn last year was not a temporary, artificially induced buying spree.

Road tractors can be depreciated for tax purposes at a 200 percent declining balance rate under the new law compared to 150 percent under the old law, Healy pointed out. The tax benefit is continuing and shouldn't create a year-end rush of truck deliveries this year, he added.

How many Class 8s are sold in 1987 also depends on current market shifts.

Ford, like Freightliner, is also anticipating 120,000 Class 8 sales this year.

Ford's projection would have been stronger, except that officials see a continuing shift of Class 8 customers into the borderline Class 7 or "baby 8" trucks, falling just below the 33,001-pound GVW category.

Ford is fairly conservative in its anticipation of Class 6-7 sales, and Drexel Burnham again is more bullish.

The financial institution sees Class 6-7 sales for 1987 increasing to 160,000 from 143,000 last year.

Ford sees Class 6-7 staying on a fairly even keel with last year.

The two segments have been rather erratic, with widely fluctuating sales over the past decade, but now appear to be on a more even, steadily upward, keel.

January truck sales by manufacturer and segment

		16,000 & LESS GVW CLASS 1-4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	37,825					37,825	40,335
	YR	37,825					37,825	40,335
JEEP	MO	16,491					16,491	17,337
	YR	16,491					16,491	17,337
TOYOTA	MO	18,403					18,403	26,889
	YR	18,403					18,403	26,889
NISSAN	MO	15,894					15,894	14,789
	YR	15,894					15,894	14,789
MAZDA	MO	8,358					8,358	8,648
	YR	8,358					8,358	8,648
ISUZU	MO	5,848					5,848	5,591
	YR	5,848					5,848	5,591
MITSUBISHI	MO	2,905					2,905	1,976
	YR	2,905					2,905	1,976
SUZUKI	MO	5,662					5,662	2,865
	YR	5,662					5,662	2,865
FORD	MO	80,620		813	1,740	668	83,841	98,657
	YR	80,620		813	1,740	668	83,841	98,657
FREIGHTLINER	MO					1,193	1,193	1,237
	YR					1,193	1,193	1,237
CHEVROLET	MO	65,754	9	514	500	27	66,804	89,019
	YR	65,754	9	514	500	27	66,804	89,019
GMC	MO	18,328	939	333	1,812	659	22,071	25,521
	YR	18,328	939	333	1,812	659	22,071	25,521
KENWORTH	MO					900	900	547
	YR					900	900	547
MACK	MO			241	249	882	1,372	2,319
	YR			241	249	882	1,372	2,319
MERCEDES	MO			104	131		235	423
	YR			104	131		235	423
NAVISTAR	MO		13	643	2,501	2,308	5,465	5,821
	YR		13	643	2,501	2,308	5,465	5,821
PETERBILT	MO					600	600	585
	YR					600	600	585
VOLVO	MO				112	634	746	803
	YR				112	634	746	803
HINO	MO		19	34	48		101	0
	YR		19	34	48		101	0
NISSAN DIESEL	MO		21	39	56		116	0
	YR		21	39	56		116	0
ISUZU TRUCK	MO	342	6	8			356	0
	YR	342	6	8			356	0
MITSUBISHI FUSO	MO			6	19		26	0
	YR			6	19		26	0
SCANIA	MO					23	23	0
	YR					23	23	0
OTHER DOMESTICS	MO					66	66	80
	YR					66	66	80
GRAND TOTAL	MO	276,430	1,007	2,735	7,168	7,960	295,300	343,442
	YR	276,430	1,007	2,735	7,168	7,960	295,300	343,442
1986 YR to DATE		323,091	188	3,406	7,635	9,122		

Class 1-4 sales data reported by individual manufacturers; Class 5-8 data reported by Motor Vehicle Manufacturers Association.

AUTOMOTIVE WORLD NEWS

What's wrong with Vauxhall?

By Jake Lucas

You already know who Europe's big lossmakers are — Renault, Rover, Alfa Romeo and Citroen, right?

Add to that list the name of General Motors, whose European operation is generally viewed in a much more favorable light despite the buckets of money it loses for its Detroit parent.

Adam Opel AG, the West German subsidiary headquartered in Russelsheim, has lost 1 billion German marks ($550 million at today's rate) in the last five years.

The smaller British subsidiary, Vauxhall Motors Ltd., based in Luton, England, has all but forgotten what making a profit feels like. While accumulating losses of over 300 million pounds sterling — equivalent to about $450 million today — in the past decade, Vauxhall made a profit just once, 2 million pounds in 1978.

What has gone wrong at Vauxhall? As recently as 1985 the company recorded a doubling of market share to 16.6 percent in five years and solid profits were forecast for 1986.

Now market share is down to 15.1 percent and unlikely to rebound to the previous record penetration. The long-awaited profit is not expected until 1988, as 1985 losses of 47.6 million pounds ($73 million) were more than matched last year.

An Opel Kadett/Daewoo LeMans by any other name: Vauxhall Astra.

Claims in 1985 that Vauxhall had left the worst excesses of the discount price war to rivals Ford Motor Co. and Austin Rover sounded reassuring, but in reality the company lost the equivalent of $240 on every car it sold.

Beneath all the sales gloss, Vauxhall was struggling with new and old problems at the Luton and Ellesmere Port plants that produce the Cavalier and Astra models, respectively.

In 1985 management was trying to make the best of production while in the thick of a 15-month run of 160 strikes and walkouts that cost 1.4 million working hours and over 18,000 lost cars.

If the Detroit GM chiefs had not enjoyed the luxury of importing cars from more efficient factories in Belgium, West Germany and Spain, they may have been forced to knock Vauxhall plants into shape earlier. They are now paying the price for not having done so.

In the same year, Vauxhall introduced the new Astra (Opel Kadett) at Ellesmere Port, using many manufacturing concepts that GM said were for the futuristic Saturn project in the U.S.

Unfortunately, there were considerable teething problems as equipment suppliers found their machinery talked different computer languages than Vauxhall's. The trade unions became suspicious, believing management was quite happy to miss production targets and import more cars.

Against the background of continuing financial losses, Ellesmere Port saw a promised $150 million paint facility put on the back burner for up to three years.

Last year's 25-percent strengthening of the deutschemark against sterling compounded Vauxhall's problems. It found itself badly exposed to a currency shift that GM experts believe is here to stay.

With the rest of Europe supplying almost half the parts — engines, transmissions, body stampings — for the United Kingdom-assembled models, and over 70,000 built-up Vauxhall-badged cars for the British sales network, a one-pfennig rise in the exchange rate was costing Vauxhall 1 million pounds.

GM officials in Detroit had erred badly, and knew they had no option but to make the manufacturing operation in Britain cost competitive. It had to build more cars in the U.K. and import fewer.

Ford has reached the same conclusion. It expects to push up U.K. production 20 percent by 1989, a revelation for the Halewood and Dagenham plants that have for years failed to meet even lowly production targets.

The added incentive is caused by the presence of the Japanese in Britain. By 1991 Nissan will be making 100,000 Bluebirds at its Sunderland plant.

Rivals already estimate Nissan can make cars for up to $750 less than they can. That isn't hard to believe when it's realized that Vauxhall has yet to curb absenteeism of 12 percent, while Nissan claims only 2 percent.

In a plant that will make engines, stamp body panels, make plastic moldings and assemble cars, Nissan will employ up to 2,700 people and produce up to 100,000 vehicles annually.

Vauxhall does little more than assemble 220,000 cars a year with more than 9,000 workers.

Vauxhall may not be alone with these problems. But it is easy to see why it is cutting its workforce by 1,000 and is hoping for a 25-percent reduction in costs over the next three years.

GM chiefs may want concrete evidence of cost-cutting before handing over the $150 million needed to relieve production bottlenecks and allow output to rise to 280,000 cars a year.

Opel is no disinterested bystander in all this, since it means its West German plants and affiliates will ship fewer cars to Britain. Indeed, Vauxhall will export 10,000 cars this year.

On top of that, setting up GM Passenger Cars-Europe headquarters in Zurich is expected to result in component contracts being taken away from Opel's traditional suppliers and spread around the rest of Europe — including Britain — with the aim of saving money. ■

WORLD NEWS BRIEFS

Taiwan buys from Scania

Scania Division, Saab-Scania AB, Sweden, receives an order for about 100 bus chassis from Taiwan. Manufactured by Scania-Bussar, Katrineholm, Sweden, the chassis will be delivered during 1987, with coachwork to be installed locally. The buses will be run on intercity routes by several Taiwanese operators.

Reliant reports loss

Reliant Motor P.l.c., Great Britain, returns to profitability in the second half of its fiscal year ended Sept. 30, but reports a loss for the full year. The producer of the Scimitar sports car and Rialto three-wheel vehicle earned the equivalent of $36,480 before taxes in the last half. Reliant finishes $260,000 in the red for the year compared to a $986,500 loss the previous year.

Perkins catches DROPS

Perkins Engines receives a $15.2 million order from the British Army for more than 2,000 Eagle MX diesel engines for a new breed of ammunition-carrying vehicles known as DROPS. The engines will be installed in Foden and Scammell trucks, with deliveries expected to begin in 1988.

Rover sells parts company

British government-owned Rover Group sells 78.33 percent of Unipart, its car parts and accessories company, to a consortium of management and institutional investors led by Charterhouse Bank. Unipart's 4,000 employees will be able to buy 12 percent of the company's ordinary shares under the agreement. Rover Group received $45.6 million in cash immediately from the consortium. It will be paid an additional $22.8 million if Unipart achieves an undisclosed profit level, and another $10.6 million if and when the partsmaker sells stock publicly.

Car sales in South Africa

	1985 Sales	1985 Sales
Alfa Romeo/Daihatsu/Fiat	—	6,435
BMW	13,113	12,928
General Motors	13,954	18,973
Mercedes-Benz/Honda	19,468	21,842
Nissan	13,643	13,870
Renault	2,387	9,719
Samcor	36,116	42,188
Toyota	45,384	48,852
Volkswagen	30,314	29,341
Others	74	174
Total	174,453	204,322

Note: Alfa, Daihatsu, Fiat, Renault and Peugeot ceased production in 1985

Hungary for used cars

A Hungarian company is formed under government auspices to import up to 1,500 used Volkswagen, Audi, Ford and Opel cars from West Germany. The decision to import second-hand cars is prompted by a car shortage in Hungary caused by the increasing amount of Soviet Lada and Czechoslovakian Skoda production being sold in Western countries. Hungary will buy cars up to three years old and with no more than 50,000 kilometers, using a combination of hard currency and Hungarian forints. Deliveries begin this spring.

DAF profits climb

DAF Trucks, the Netherlands, reports a 62-percent increase in profits in 1986 to $15.6 million, the company's best year since 1980. DAF, which posted a $12.6-million loss in 1983, cites 1986 deliveries of 16,003 vehicles, 13 percent higher than 1985.

Cosworth names directors

Cosworth Engineering, the United Kingdom, appoints two new directors, Michael Hall and Richard Scammell. Hall is in charge of designing production engines, including the Mercedes 2.3-liter 16-valve powerplant and Sierra Cosworth engine. Scammell heads Cosworth's motorsports division.

Bridgestone sets up sub

Bridgestone Corp. establishes a French sales and marketing subsidiary, Bridgestone France S.A.R.L. Headquartered in Les Ulis, Bridgestone France is responsible for selling and distributing Bridgestone car, light truck, truck, motorcycle and off-road tires through an independent dealer network in France. Previously, Bridgestone tires were sold through the *Bureau de Marketing et Services S.A.R.L.*, a subsidiary of Mitsui & Co. Europe SA. In December, Bridgestone Corp. bought 80 percent of the *Bureau de Marketing et Services*. The remaining 20 percent is owned by Mitsui.

Bosch big on ABS

Robert Bosch GmbH, West German auto parts giant, will spend 220 million deutschemarks to build a new plant in Ansbach, West Germany, for production of anti-lock braking system components. Bosch, which introduced anti-lock braking in 1978, plans to produce 1.1 million ABS units in 1987, up from 600,000 last year.

Hertz buys heaps of Fords

Hertz of the United Kingdom places an order for 11,000 Ford cars to be delivered in 1987. The buy accounts for about 65 percent of the Hertz subsidiary's 1987 orders, and represents some $100 million at retail prices.

AEM makes Scout

A new British firm, Automotive Engineering and Manufacturing, is formed to produce a Mini-Moke replica called the Scout. AEM gets financial backing from the Welsh Development Agency to build the open-top four-seater — with Austin Rover 998cc engine and Austin Mini transmission — at a factory in South Wales. Production is due to start early this year at the rate of 30 a month, with 24 employees.

Croma beats out Omega

Fiat Croma is voted 1986 Imported Car of the Year by Spanish auto journalists. It edges out Opel Omega, European Car of the Year, in the annual competition organized by Cadena Catalana Radio in conjunction with *Federacion Catalana De Automovilismo* and the mayor of Barcelona.

Car sales in Norway

	1986	1985
Alfa Romeo	212	223
Audi/VW	16,382	18,602
BMW	4,405	3,947
Citroen	3,133	2,688
Daihatsu	1,626	1,443
Dodge	32	5
Fiat	6,630	6,197
Ford	25,041	23,299
Honda	4,682	3,731
Isuzu	97	150
Jaguar	60	43
Jeep	11	2
Lada	2,766	2,754
Lancia	500	81
Mazda	12,695	14,046
Mercedes-Benz	4,112	2,911
Mitsubishi	5,968	5,158
Nissan	10,213	9,787
Opel	19,914	22,004
Peugeot/Talbot	6,747	5,349
Porsche	26	4
Renault	1,199	1,104
Saab	3,055	2,599
Skoda	452	605
Subaru	3,133	2,574
Suzuki	982	244
Toyota	19,224	17,062
Volvo	13,790	12,380
Total	167,352	159,079

HYUNDAI

Continued from page 33

Yet there is nothing about the Ulsan plant that is technologically state-of-the-art. Machine tools, material handling systems and production technology are just like the cars they make — utilitarian products of well-proven technology.

Indeed, it is significant that Hyundai managers decided to transfer all production of export model Excel subcompacts to old parts of the Ulsan plant. The newly completed 300,000 vehicle-a-year factory is used for production of Pony subcompacts and Stellar and Grandeur compacts for the Korean market.

Hyundai managers privately admit they are still on a steep technological learning curve, and are not prepared to take risks with the most prestigious products they make.

As a result, there is no wizardry at Ulsan. It is basically a collection of unspectacular production equipment handled by exceptionally disciplined and dedicated workers. The Japanese-trained production engineers squeeze the most out of their machines and the production staff is motivated to work hard.

The really distinctive aspect of Hyundai's rapid success lies in the sense of national purpose behind the project. The Hyundai group of companies accounts for 5 percent of the gross national product of Korea. The decision of its founder, 71-year-old Chung Ju-Yung, to make it big in autos is backed by an extremely nationalistic political and business community. On a local level, Hyundai firms support around two-thirds of Ulsan's 600,000 people.

Hyundai Motor buys its steel from Pohang Iron and Steel Co., just up the coast from Ulsan, and its paint and much of its aluminum from Hyundai subsidiaries.

The Hyundai shipyard made the 10 car carriers — with a capacity ranging from 1,200 to 4,800 cars each — which ship Excels to five ports in North America.

Critics wonder whether that fierce independence is the best course. Some speculate that the strategy of Korea's two other major automakers — Daewoo Motor Co. Ltd. and Kia Motors Corp. — to rely more heavily on their multinational partner — General Motors and Ford Motor Co., respectively — might not finally prove more effective.

Perhaps. But in the short term Hyundai is gearing up to boost 1987 output 43 percent over 1986. Few doubt they will meet the production target of 600,000 vehicles.

It's all causing plenty of late nights for Hyundai Motor's 4,500 marketing and administrative staff people based in Seoul, and its export managers around the world.

It may also explain why workers at Ulsan have set up fish tanks throughout the factory to provide a calming influence in their frenetic workplace. ■

OVERSEAS PRODUCTION

FRANCE

Cars

	11 mos. 1986	11 mos. 1985
Peugeot SA	1,343,668	1,199,149
Citroen	477,541	441,657
Peugeot/Talbot	866,127	757,492
Renault	1,187,408	1,223,336
Total	2,531,076	2,422,485

Vans, Trucks, Buses

CBM	43	52
Heuliez	152	0
Iveco-Unic	73	96
Peugeot SA	139,434	158,219
Citroen	62,316	67,669
Peugeot/Talbot	77,118	85,550
Renault	244,645	194,511
Sovam	76	80
Total	384,423	347,958
Total Vehicles	2,915,499	2,770,443

UNITED KINGDOM

Cars

	10 mos. 1986	10 mos. 1985
Carbodies	1,837	1,498
Ford	283,433	266,770
Jaguar	33,905	32,093
Lotus	564	696
Panther	216	95
Reliant	244	721
Rolls-Royce	2,130	2,060
Rover Group	337,973	402,020
Austin Rover	325,987	390,716
Range Rover	11,986	11,313
TVR	451	391
Vauxhall	133,553	127,156
Others	495	511
Total	844,203	886,503

Vans, Trucks, Buses

Bedford	42,272	53,150
ERF	1,591	1,706
Foden	420	579
Ford	77,505	92,596
Hestair-Dennis	568	717
Iveco-Ford	4,196	0
Metro-Cammell Weymann	233	383
Reliant	21	50
Renault TI	3,506	4,422
Rover Group	58,413	76,615
Austin Rover	15,422	21,518
Freight Rover	15,457	16,129
Land Rover	17,920	25,770
Leyland	9,614	13,198
Seddon Atkinson	1,349	1,428
Others	138	157
Total	190,212	231,798
Total Vehicles	1,034,420	1,118,301

JAPAN

Cars

	11 mos. 1986	11 mos. 1985
Daihatsu	135,461	150,266
Fuji	260,749	232,826
Honda	935,733	866,027
Isuzu	195,703	194,301
Mazda	744,427	740,488
Mitsubishi	536,419	518,104
Nissan	1,635,539	1,711,891
Suzuki	275,206	215,515
Toyota	2,472,979	2,370,165
Total	7,182,216	6,999,583

Vans, Trucks, Buses

Daihatsu	423,932	384,123
Fuji	307,375	298,006
Hino	51,050	63,209
Honda	194,451	146,922
Isuzu	318,625	345,240
Mazda	359,549	347,955
Mitsubishi	548,666	532,772
Nissan	438,345	589,459
Nissan Diesel	29,761	33,549
Suzuki	524,426	497,152
Toyota	896,734	1,016,080
Others	675	847
Total	4,093,589	4,255,314
Total Vehicles	11,275,805	11,254,897

OVERSEAS REGISTRATIONS

AUSTRIA

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	2,287	2,089
BMW	7,287	7,232
Daihatsu	1,297	789
Fiat Auto	15,045	13,596
Ford	25,418	24,038
GM-Opel	31,333	32,138
Honda	5,536	4,748
Jaguar	126	132
Lada	1,732	1,626
Mazda	22,116	20,746
Mercedes-Benz	10,144	8,864
Mitsubishi	5,447	4,890
Nissan	12,822	12,025
Peugeot SA	16,830	15,647
Citroen	6,276	6,619
Peugeot/Talbot	10,554	9,028
Porsche	464	451
Renault	12,108	10,168
Rover Group	247	329
Saab	465	342
Skoda	992	1,161
Subaru	3,835	3,435
Suzuki	1,613	1,278
Toyota	15,149	12,204
VW Group	56,250	52,267
Volkswagen	44,123	41,104
Audi	10,641	9,962
Seat	1,486	1,201
Volvo	3,663	3,433
Others	118	81
Total	252,324	233,759

WEST GERMANY

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	6,703	7,926
BMW	147,826	144,262
Bertone	364	390
Daihatsu	11,970	8,639
Fiat Auto	124,692	102,558
Ford	297,007	255,035
GM-Opel	421,339	367,838
Honda	45,881	37,332
Isuzu	5,692	4,219
Jaguar	1,793	2,350
Lada	10,807	8,306
Mazda	86,172	66,863
Mercedes-Benz	303,044	273,528
Mitsubishi	62,909	45,182
Nissan	82,686	63,253
Peugeot SA	132,945	97,949
Citroen	46,655	37,038
Peugeot/Talbot	86,290	60,911
Porsche	10,469	11,394
Renault/AMC	91,569	76,737
Rover Group	13,056	7,086
Saab	4,698	3,240
Skoda	3,380	2,484
Subaru	15,832	11,278
Suzuki	22,880	18,429
Toyota	91,740	61,182
VW Group	815,122	684,340
Volkswagen	658,752	549,736
Audi	150,901	130,242
Seat	5,469	4,362
Volvo	17,325	14,226
Others	1,350	2,300
Total	2,829,438	2,379,261

SWITZERLAND

CARS

	11 mos. 1986	11 mos. 1985
Alfa Romeo	6,103	5,735
BMW	8,443	10,116
Bertone	205	180
Daihatsu	913	1,062
DeTomaso/ Maserati	154	180
Fiat Auto	22,204	19,149
Ferrari	275	199
Fiat	17,724	15,328
Lancia	4,205	3,622
Ford	21,953	19,838
GM-Opel	34,494	33,575
Honda	7,254	7,197
Isuzu	681	598
Jaguar	328	395
Lada	220	0
Mazda	8,408	6,861
Mercedes-Benz	8,166	6,650
Mitsubishi	7,377	7,640
Nissan	9,159	9,928
Peugeot SA	23,186	20,875
Citroen	7,864	7,835
Peugeot/Talbot	15,322	13,040
Porsche	1,498	1,319
Puch	86	110
Renault	14,436	15,655
Rover Group	1,916	2,206
Saab	1,537	1,230
Skoda	104	91
Subaru	10,038	9,847
Suzuki	3,301	3,376
Toyota	21,026	16,793
VW Group	44,357	43,907
Volkswagen	30,050	28,660
Audi	11,374	13,241
Seat	2,933	2,006
Volvo	4,845	4,820
Others	537	851
Total	262,929	250,184

UNITED KINGDOM

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	2,233	3,093
BMW	35,898	33,450
Daihatsu	5,345	4,567
Fiat Auto	65,115	57,537
Fiat	61,729	54,460
Lancia	3,386	3,077
Ford	515,367	485,620
FSO	4,553	6,158
GM-Vauxhall	284,517	303,473
Honda	20,499	18,984
Hyundai	7,495	5,159
Jaguar	7,579	8,049
Lada	20,312	15,314
Lotus	447	554
Mazda	17,982	17,172
Mercedes-Benz	19,987	18,086
Mitsubishi	11,811	11,208
Nissan	109,914	105,517
Panther	67	54
Peugeot SA	121,094	101,314
Citroen	34,427	27,479
Peugeot/Talbot	86,667	73,835
Porsche	3,705	3,438
Renault	69,261	70,622
Rolls-Royce	808	700
Rover Group	297,466	327,955
Austin Rover	293,240	324,574
Range Rover	4,226	3,381
Saab	10,331	8,375
Skoda	12,775	9,884
Subaru	3,974	3,815
Suzuki	4,288	3,950
Toyota	35,802	34,722
VW-Audi	109,237	103,877
Volvo	68,972	59,549
Zastava	8,525	7,953
Others	4,595	4,276
Total	1,882,474	1,832,027

JAPAN

Cars

	11 mos. 1986	11 mos. 1985
Daihatsu	82,433	90,298
Fuji	65,489	72,060
Honda	270,927	264,281
Isuzu	55,165	41,738
Mazda	179,333	173,903
Mitsubishi	132,305	153,336
Nissan	706,823	724,612
Suzuki	59,456	63,740
Toyota	1,278,230	1,214,556
Imports (all)	60,628	45,267
Cars total	2,890,789	2,843,801

Vans, trucks, buses

Daihatsu	355,811	311,636
Fuji	209,776	204,112
Hino	35,577	36,179
Honda	183,689	138,807
Isuzu	106,973	112,275
Mazda	147,389	144,047
Mitsubishi	330,424	323,237
Nissan	229,315	247,064
Nissan Diesel	19,761	19,421
Suzuki	389,283	379,686
Toyota	340,524	329,559
Imports (all)	155	158
Total	2,348,677	2,246,180
Total Vehicles	5,239,466	5,089,981

DENMARK

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	532	458
BMW	3,527	3,650
Dacia	319	745
Daihatsu	3,340	2,816
Fiat Auto	8,405	7,461
Ford	20,313	23,576
FSO	1,221	1,814
GM-Opel	27,072	26,268
Honda	3,283	1,863
Hope Whisper	1	0
Isuzu	3	7
Jaguar	32	34
Lada	4,308	3,617
London Taxi	2	0
Maserati	1	0
Mazda	17,281	14,129
Mercedes-Benz	1,573	1,132
Mitsubishi	4,060	2,768
Morgan	1	0
Nissan	9,831	7,914
Peugeot SA	13,030	9,808
Citroen	8,146	6,671
Peugeot/Talbot	4,884	3,137
Porsche	24	0
Renault	856	1,255
Rolls-Royce	1	0
Rover Group	308	302
Saab	1,651	1,774
Skoda	3,627	4,001
Subaru	638	307
Suzuki	325	509
Toyota	20,656	19,759
VW Group	14,644	12,109
Volkswagen	12,580	10,511
Audi	963	916
Seat	1,101	682
Volvo	6,433	6,328
Wartburg	763	1,192
Zastava	1,261	1,739
Total	169,386	157,474

SWEDEN

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	1,287	1,148
BMW	4,455	4,429
Daihatsu	1,574	1,498
Fiat Auto	6,772	7,192
Ford	29,776	28,571
GM-Opel	24,239	26,770
Honda	3,977	3,518
Lada	1,784	1,586
Mazda	12,620	12,018
Mercedes-Benz	7,878	10,271
Mitsubishi	2,335	2,485
Nissan	14,876	8,363
Peugeot SA	7,552	7,108
Citroen	2,994	3,101
Peugeot/Talbot	4,558	4,007
Porsche	460	455
Renault	3,462	2,680
Saab	29,514	27,352
Skoda	170	332
Subaru	1,489	1,552
Suzuki	1,116	611
Toyota	18,039	12,305
VW Group	30,958	31,540
Volkswagen	20,097	20,123
Audi	10,861	11,417
Volvo	64,307	71,135
Others	203	111
Total	268,794	263,033

AUCTION DATES

American Motors

Feb. 24 — Statesville Auto Auction, Statesville, N.C.

Feb. 25 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Chrysler Corp.

Feb. 24 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas.

Feb. 25 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Sand Mountain, Ala.; and South Seattle Auto Auction, Kent, Wash.

Ford Motor Co.

Feb. 24 — South Seattle Auto Auction, Kent, Wash.

Feb. 25 — Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; and Brasher's Southern California Auto Auction, Fontana, Calif.

General Motors

Feb. 24 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 25 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Golden Gate Auto Auction, Fremont, Calif.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales
Auction Averages

February to date 1987	$5,711
Month ago	$5,891
Year ago	$4,797

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$13,085	$13,158	$ 00
1986	$10,190	$11,481	$11,149
1985	$7,471	$7,054	$8,144
1984	$5,984	$5,811	$6,142
1983	$4,850	$4,995	$5,386
1982	$3,675	$3,599	$4,141
1981	$2,550	$2,614	$3,177
1980	$2,097	$1,997	$2,349
Overall Average	$5,711	$5,129	$5,181

AUCTION DIRECTORY

KENTUCKY

Mt. Sterling Auto Auction. 48 state pickup for fleet and lease customers. Mt. Sterling, Kentucky. 606-498-1414.

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MASSACHUSETTS

Concord Auto Auction, Rt. 2, P.O. Box 257, Acton, Mass. 01720. Fleet & Lease accounts. Ford Factory Sale. Sale every Friday, 10 A.M. 617-263-8300.

MASSACHUSETTS

American Auto Auction, 600 Providence Hwy., Walpole, Mass. 02081. Sale every Tuesday, 11 A.M. 617-329-4955.

MINNESOTA

WEDNESDAY 12 NOON SALE DAY
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OHIO

Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. Call: 614-871-2771.

OHIO

Wednesday Auto Auction. Exit 49 on I-270. Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

OREGON

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PRODUCTION

Millionth car trails '86

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers built their one-millionth car of the year last Monday (Feb. 16), four days behind the pace of 1986.

So far this year, 1,157,256 cars have been assembled, 9.53 percent below the 1,279,102 completed last year at this point.

Last week's targeted production of 168,887 cars was 4.08 percent below the previous week's 176,062 and 4.08 percent below the year-ago week's 176,065.

Companies split last week's scheduled production as follows: General Motors, 51.92 percent; Ford Motor Co., 25.89 percent; Chrysler Motors, 13.44 percent; Honda of America Manufacturing Inc., 4.19 percent; New United Motor Manufacturing Inc., 2.37 percent; Nissan Motor Manufacturing Co. U.S.A., 1.73 percent; and American Motors, 0.46 percent.

Volkswagen of America's plant in Westmoreland, Pa., was down last week for installation of new parts. The plant resumes output today (Feb. 23).

GM has further increased its number of indefinite layoffs by 3,500, to 37,000. Of the latest layoffs, 2,000 are at the Leeds, Mo., plant. That cutback was announced previously announced by GM.

The other 1,500 are a result of previously reported scheduled adjustments at various GM assembly and components plants.

GM has extended the downtime at the Arlington, Texas, plant. The plant has been down since early January for installation of paint equipment and is not expected to resume output until March 2.

GM's Linden, N.J., and Wilmington, Del., plants were slated for Saturday (Feb. 21) overtime.

Ford scheduled Saturday overtime at its Chicago and Dearborn, Mich., plants.

Daily overtime is slated at all Ford car plants this week.

Saturday overtime was scheduled for the following Chrysler plants: Newark, Del.; Sterling Heights, Mich.; St. Louis (No. 1); and Belvidere, Ill.

Daily overtime is slated this week at Chrysler's Sterling Heights and Newark plants.

Truck output retains 1987 lead

U.S. truck production is maintaining a slim lead over the 1986 year-to-date total.

So far this year, 544,187 trucks have been assembled, 2.92 percent more than the 528,734 built last year at this point.

Last week's estimated production of 77,625 was 4.81 percent below the previous week's 81,544 but 5.83 percent more than the year-ago week's 73,349.

General Motors slated Saturday (Feb. 21) overtime at its Baltimore plant.

Ford Motor Co., scheduled Saturday overtime at three plants: Wayne, Mich.; Kansas City, Mo.; and St. Louis.

All Ford plants are slated for daily overtime this week (Feb. 23).

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

Car production slips in Canada

Last week's scheduled Canadian auto production of 21,024 was 2.75 percent below the previous week's 21,619 and 7.87 percent below the year-ago week's 22,819.

Year-to-date, 137,231 cars have been built, 9.51 percent below the 151,658 completed last year at this point.

Estimated truck production of 18,215 units last week was 8.47 percent more than the previous week's 16,792 but 5.01 percent below the year-ago week's 19,175.

So far this year, 113,413 trucks have been assembled, 18.33 percent below the 138,871 built last year at this time.

CANADIAN CAR	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
AMERICAN MOTORS	150	0	154	455	1,200	1,060
FORD MOTOR	11,645	11,161	11,405	34,009	82,882	78,058
GENERAL MOTORS	8,899	11,478	9,706	27,107	65,984	55,754
HONDA	150	0	129	405	0	784
VOLVO	180	180	225	652	1,592	1,575
Total Cars, Canada	21,024	22,819	21,619	62,628	151,658	137,231

U.S. TRUCK☆	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
CHEVROLET	22,567	25,987	24,898	69,946	185,226	159,447
DODGE	5,000	0	5,362	15,635	0	33,524
FORD	31,640	30,427	33,077	97,523	216,827	226,716
GMC	8,226	7,261	7,942	24,013	55,574	54,005
NAVISTAR	1,612	1,499	1,613	4,505	10,932	10,711
JEEP	4,500	3,716	4,543	13,560	35,271	31,396
NISSAN	1,730	2,009	1,759	5,122	7,932	11,938
AM GENERAL*	50	50	50	150	372	350
MISCELLANEOUS*	2,300	2,400	2,300	6,900	16,600	16,100
Total Trucks, U.S.	77,625	73,349	81,544	237,354	528,734	544,187

CANADIAN TRUCK	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
AMERICAN MOTORS	625	0	635	1,902	0	4,370
CHRYSLER	8,964	9,198	9,279	27,567	66,566	62,175
FORD	3,648	3,399	3,404	10,237	25,963	23,165
GENERAL MOTORS	4,760	6,368	3,280	10,836	45,060	22,315
NAVISTAR	198	210	194	588	1,282	1,388
Total Trucks, Canada	18,215	19,175	16,792	51,130	138,871	113,413
N. American Trucks	95,840	92,524	98,336	286,484	667,605	657,600

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
AMERICAN MOTORS	775	1,779	800	2,262	5,073	5,353
Renault Total	775	1,779	800	2,262	5,073	5,353
Alliance	775	1,646	800	2,262	4,328	5,353
Encore	0	133	0	0	745	0
CHRYSLER MOTORS	22,700	31,138	26,475	76,734	226,326	178,329
Plymouth Total	9,200	8,204	9,913	30,007	62,902	66,724
Horizon	3,300	2,984	3,482	10,798	22,945	25,856
Sundance	2,000	0	2,120	6,535	0	15,259
Reliant	2,700	3,423	2,736	8,633	28,465	18,937
Caravelle	1,200	1,482	1,575	4,041	9,570	8,672
Gran Fury	0	315	0	0	1,922	0
Chrysler Total	5,000	11,907	6,697	17,961	69,837	39,743
Laser	0	1,120	0	0	7,879	0
LeBaron K	1,700	2,672	1,843	5,638	20,506	12,108
LeBaron J	1,000	0	2,034	4,588	0	10,255
LeBaron GTS	800	2,688	875	2,669	18,075	5,543
New Yorker/E-Class	1,500	1,723	1,945	5,086	11,456	11,837
Fifth Avenue	0	3,704	0	0	25,921	0
Dodge Total	8,500	11,027	9,865	28,746	79,687	69,862
Daytona	700	1,040	1,028	2,509	7,615	5,280
Omni	2,800	3,188	3,004	9,216	23,335	12,273
Shadow	1,800	0	1,950	5,963	0	13,964
Aries	2,000	2,840	2,313	6,788	19,143	16,696
Dodge 600	800	1,736	1,080	2,834	12,309	7,492
Lancer	400	1,774	490	1,436	13,888	4,074
Diplomat	0	449	0	0	3,397	0
FORD MOTOR	43,725	37,788	44,232	131,815	259,899	301,063
Ford Division	30,419	25,674	30,162	90,568	176,096	205,644
Escort	7,729	8,724	7,821	23,192	59,593	52,750
Mustang	5,240	4,271	4,526	15,000	30,150	33,181
Tempo	4,229	4,090	4,210	12,472	31,486	28,858
Taurus	10,504	4,908	10,469	31,338	28,006	71,556
Thunderbird	2,717	3,681	3,136	8,586	26,861	19,299
L-M Division	13,303	12,114	14,070	41,227	83,803	95,419
Mercury Total	10,158	7,849	10,827	31,135	55,662	69,611
Lynx	1,556	1,385	1,557	4,618	10,833	9,580
Capri	0	289	0	0	2,947	0
Topaz	1,259	1,301	1,316	3,881	10,411	9,283
Cougar	4,047	2,467	4,716	12,840	17,720	28,867
Sable	3,296	2,407	3,238	9,796	13,751	21,881
Lincoln Total	3,145	4,265	3,243	10,092	28,141	25,808
Continental	314	480	326	1,010	3,264	2,587
Lincoln	2,359	3,199	2,430	7,566	21,115	19,352
Mark VII	472	586	487	1,516	3,762	3,869
GENERAL MOTORS	87,695	94,939	89,103	265,990	715,805	564,501
Buick Total	12,673	13,967	14,673	40,644	113,988	96,070
Skyhawk	895	1,764	1,627	3,190	13,406	7,284
Century	4,375	3,798	4,371	13,084	37,442	29,681
Regal	1,142	715	1,006	3,350	5,614	7,023
Somerset/Skylark	884	1,641	1,705	4,449	14,815	13,346
LeSabre (fwd)	2,258	2,345	2,590	6,619	13,208	15,175
LeSabre/Electra (rwd)	221	282	456	1,142	1,762	3,727
Electra(fwd)	2,534	2,989	2,545	7,704	24,666	15,542
Riviera	364	433	373	1,106	3,075	4,292
Cadillac Total	7,499	5,820	6,779	20,814	44,935	49,790
Cimarron	424	454	448	1,121	3,222	3,284
Allante	45	0	55	152	0	319
Brougham (rwd)	2,340	2,022	1,706	5,810	10,768	12,347
DeVille (fwd)	4,000	2,607	3,877	11,656	26,070	25,599
Eldorado	333	429	335	933	2,859	2,721
Seville	357	308	358	1,142	2,016	5,530
Chevrolet Total	34,865	30,243	32,607	102,614	243,882	203,671
Chevette	0	2,640	0	0	19,372	0
Camaro	2,600	5,065	2,889	8,352	36,745	14,474
Cavalier	8,900	9,406	8,190	24,798	70,364	52,350
Celebrity	8,300	5,986	8,285	24,912	45,725	57,444
Corsica/Beretta	7,615	0	5,467	21,774	0	37,304
Monte Carlo	1,610	2,330	1,537	4,852	19,037	8,559
Chevrolet	5,200	3,818	5,589	15,986	50,614	29,015
Corvette	640	998	650	1,940	2,025	4,525
Oldsmobile Total	15,986	26,170	17,672	51,173	182,852	108,115
Firenza	310	999	862	1,521	7,618	3,856
Calais	1,516	3,088	3,087	7,570	23,775	17,867
Cutlass Ciera	4,697	6,337	4,884	14,318	51,773	30,274
Cutlass Supreme	1,270	5,409	1,317	3,700	33,950	4,409
88 (fwd)	5,440	6,967	4,768	15,812	37,094	32,865
88 (rwd)	405	475	374	1,225	4,267	2,927
Olds 98	2,078	2,594	2,115	6,225	22,420	12,789
Toronado	270	301	265	802	1,955	3,128
Pontiac Total	16,672	18,739	17,372	50,745	130,148	106,855
Acadian*	0	325	0	0	1,882	0
Fiero	1,100	2,409	726	2,798	11,928	4,294
1000	0	811	0	0	5,159	0
Firebird	2,589	2,697	2,556	7,665	19,575	12,343
2000 Sunbird	2,684	2,820	2,649	8,050	21,298	16,536
Grand Am	5,280	4,397	6,214	16,805	32,048	37,810
6000	1,670	3,518	1,624	4,922	23,100	11,853
Bonneville	3,150	0	3,185	9,423	0	22,284
Safari/Parisienne	199	1,762	418	1,082	15,058	1,733
HONDA	7,075	3,669	6,519	20,840	27,621	49,191
Civic	2,384	0	2,595	7,782	0	20,576
Accord	4,691	3,669	3,923	13,058	27,621	28,615
NISSAN	2,920	1,801	2,864	8,673	14,287	20,395
NUMMI	4,000	2,970	4,057	12,192	17,980	28,480
Corolla	750	0	809	2,397	0	5,791
Nova	3,250	2,970	3,248	9,795	17,980	22,689
VOLKSWAGEN	0	1,981	2,013	4,016	12,111	9,944
Golf/GTI	0	1,981	1,763	3,516	12,111	8,694
Jetta	0	0	250	500	0	1,250
Total Cars, U.S.	168,887	176,065	176,082	522,522	1,279,102	1,157,256
Total Cars, Canada	21,024	22,819	21,619	62,628	151,658	137,231
N. American Cars	189,911	198,884	197,681	585,150	1,430,760	1,294,487
N. American Trucks	95,840	92,524	98,336	286,484	667,605	657,600
North American Cars and Trucks	285,751	291,408	296,017	873,634	2,098,365	1,952,087

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

OUTPUT

FROM PAGE 1

schedule is just too heavy, he said.

All domestic makers except Honda of America Manufacturing Inc. and Nissan Motor Manufacturing Co. U.S.A. reported second-quarter estimates that are lower than 1986 production.

Ford expects to build about 433,000 cars during the second quarter down 12.87 percent from 496,955 in 1986.

Healy believes that Ford's forecast may be a bit light and the company may end up adding some cars to the total.

Beale commented, "Ford's first quarter is very strong from year to year so it's not really a surprise that the schedule is weaker in the second quarter. It is a part of their marketing strategy and so by the end of the first half they should come out about even."

Chrysler Motors' scheduled 279,000 units in the second quarter, 20.78 percent below the 352,168 it built in 1986.

Chrysler's Belvidere, Ill., plant will be down for retooling during the second quarter, knocking out the sole source of Omni and Horizon, and its St. Louis (No. 2) plant will be assembling the Caravan and Voyager mini-vans instead of the Gran Fury, Diplomat and Fifth Avenue. The minivans are counted as trucks, not cars.

Gran Fury, Diplomat and Fifth Avenue will be moved to American Motors' Kenosha, Wis., plant, which will not be producing at full capacity in the second quarter.

AMC's estimated second quarter output of 9,850 cars is 38.59 percent below the 16,040 assembled during the same period of 1986.

New United Motor Manufacturing Inc. plans to build about 52,000 cars at its plant in Fremont, Calif., 5.66 percent below the 55,121 it assembled in the second quarter of last year.

Honda scheduled 84,455 cars during the second quarter, 62.82 percent more than the 51,871 built in 1986. The increase is due primarily to the addition of a second line at Marysville, Ohio, that assembles Civic as well as Accord.

Nissan plans to build 36,256 cars at its Smyrna, Tenn., plant during the second quarter. The plant was down for model changeover during the second quarter of 1986.

Volkswagen of America's output at Westmoreland, Pa., is estimated at 24,800 for the second quarter, down 3.60 percent from 25,726 last year.

Fix of Chrysler plant includes paint dept.

Chrysler Motors is expected to begin construction within the next month on a paint facility at its Jefferson Avenue assembly plant in Detroit.

The construction is the beginning of Chrysler's $1 billion renovation of the plant, which is expected to be completed by the summer of 1991.

The paint facility will be used as part of the existing plant until completion of the new complex.

The Detroit City Council last week unanimously approved plans for the project.

Casco gets Ford contract

BRIDGEPORT, Conn. — Casco Products here has signed to be sole supplier of cigarette lighters for Ford Motor Co. vehicles through model year 1992.

Automotive News®

March 2, 1987

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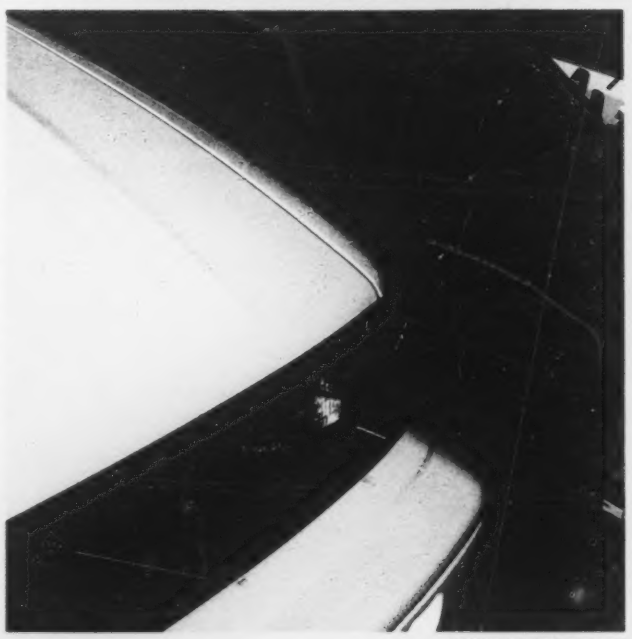
C2700-1
3/4/87

ANNUAL CAR-TRUCK SALES PER OUTLET

Make	1986	1985
1. Hyundai	1431	—
2. Toyota	947	874
3. Mitsubishi	791	920
4. Honda	716	640
5. Nissan	697	751
6. Suzuki	589	53
7. Ford	585	565
8. Chevrolet	556	586
9. Mazda	494	429
10. Acura	352	—
11. Oldsmobile	334	334
12. Dodge	316	297
13. Pontiac	283	265
14. Volvo	276	257
15. Buick	260	285
16. Volkswagen	247	246
17. Isuzu	236	199
17. Mercedes	236	207
19. Subaru	226	219
19. BMW	226	204
21. Cadillac	188	185
22. Mercury	170	189
23. Plymouth	157	146
24. AMC	152	133
25. Audi	146	182



AUTOMOTIVE NEWS/JOE WILSSENS

Best $eller: *Hyundai shatters sales per dealer mark*

By David Versical and Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTERS

Hyundai Motor America added another chapter to its first-year success story, rewriting the sales-per-outlet record book with a dramatic 1,431 car sales per dealership in 1986 and producing some of the highest profits in history.

Hyundai sold more than twice as many cars per dealer as the next highest-selling make — Honda. Hyundai even exceeded by more than 50 percent the average of the top dealer organization selling both cars and trucks — Toyota.

It was all part of an import surge that claimed the top six places in the annual Automotive News ranking. But Hyundai was far and away the star.

The performance is even more remarkable in light of the fact that the Korean subcompact didn't go on sale in the United States until Feb. 20, 1986.

Perhaps nobody was more surprised by the results than the people at Hyundai. The architect of Hyundai Motor America's U.S. marketing plan, Executive Vice President Max Jamiesson, said he expected Hyundai would need 200 dealers to sell 150,000 cars. As it turned out, Hyundai sold 168,882 in 1986 with a dealer force that grew from 75 in February to just 161 at year end.

They made money, too. Hyundai dealers netted an average of $700,000 in profits last year. One of its volume leaders sold well over 2,000 cars and earned $1.7 million. In an industry where a 3 percent return on sales is considered respectable, Hyundai dealers

see HYUNDAI, page 49

Air-bag Fords lure only 749 retail customers

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co.'s 1987 Tempo/Topaz air-bag option, far from being the marketing bonanza some expected, is facing widespread dealer resistance and consumer disinterest.

The problem reached such proportions that two weeks ago a select group of dealer council members and National Automobile Dealers Association Ford and Lincoln-Mercury line officials met with company officials to discuss ways to improve public acceptance of the air bags.

And the problem was obvious. As of Feb. 20, nearly five months into the 1987 model year, Ford dealers had sold just 455 air-bag-equipped Tempos to retail customers, while L-M dealers had retailed only 294 air-bagged Topaz cars. In the same period, the company sold more than 100,000 non-air-bagged Tempo/Topaz models.

There is a total projected build of 10,000 Tempo and 2,000 Topaz air-bagged units for the 1987 model year.

Of those 12,000, Ford says 7,844 already are accounted for in sales, orders, inventory or in-transit vehicles. To date, 6,195 have been built. Thus the 749 retail deliveries represent 12 percent of production.

In addition to the 749 retail deliveries, there have been 1,642 fleet sales.

Currently, there are 2,833 air-bagged cars sitting unsold in dealer inventory — an amount equal roughly to a 1½-year supply, based on the model-year-to-date selling rate.

The irony is that while the Ford air-bag option seems to be floundering in the marketplace, a recent telephone study conducted on behalf of NHTSA found that the American public is "very aware of and expresses a strong preference for air bags" over passive-belt systems — something different than Ford's sale of air-bagged cars would indicate.

According to a dealer who attended the Dearborn meeting to discuss the air-bag acceptance problem, the management firepower present included Ford and Lincoln-Mercury division general managers; Helen O. Petrauskas, environmental and safety engineering vice president; and Ford President Harold A. Poling.

"They told us about their long-range plans for the air bag," said one dealer who attended the meeting, "but there is no big marketing push coming, and that's what we need."

The dealer said the session included an airing of dealer air-bag concerns, like general safety unsaleability, a too-high $815 manufac-

see AIR BAGS, page 52

Third World 'get rich' deals require caution

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

Nameplate proliferation, while providing a dizzying array of business opportunities for dealers, also has a down side — the potential for costly failures and, even worse, out-and-out misrepresentation.

Dealers intent on finding the next Hyundai could instead find themselves saddled with a successful-sounding franchise that in reality is a dud.

With franchises being offered today from a half-dozen Third World countries — from Romania to Malaysia, from India to Taiwan — it's important to consider what industry experts think are the key issues in such franchise-shopping.

"When evaluating a new franchise, I think you have to look at who is financing the operation," said J. David Power, head of the

see NAMEPLATES, page 24

ASC Inc., Southgate, Mich., will display the Geneve, a Corvette show car

U.S. fights to grab Geneva spotlight

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GENEVA — The focus of attention at this week's 57th international auto show here could be renewed interest in the European market among U.S. manufacturers.

The decline of the dollar against most European currencies presents new opportunities for U.S. exports. But the more important factor may be that Americans now have things to offer finicky European buyers.

For example, the Chrysler minivan, American Motors' stellar Jeep lineup and the Ford Taurus station wagon could find niches — albeit low volume — in Europe.

American manufacturers are planning to be here in force. Chrysler will reveal some of its marketing plans for Europe; AMC is expected to announce an expansion of its Jeep offerings; and Ford has talked of sell-

see GENEVA, page 52

White House urges repeal of CAFE laws

By Matt DeLorenzo and Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTERS

WASHINGTON — Commerce Secretary Malcolm Baldrige says the Reagan administration proposes to end the Corporate Average Fuel Economy (CAFE) standards as part of its recently announced trade and competitiveness package.

The White House will ask Congress to delete all future passenger-car and light-truck CAFE standards on grounds that they distort the market and pose "special difficulties for U.S. full-line manufacturers," Baldrige said.

"The president has proposed repeal the Corporate Average F Economy standards," Baldrige said in testimony before the Senate Committee on Commerce, Science and Transportation. The committee, chaired by Sen. Ernest F. Holl-

see CAFE, page 52

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Mitsubishi to add U.S. dealers, staff — Page 3
Sales slip 26%; output holds steady — Page 54

36,200 attended last week's SAE show

AUTOMOTIVE NEWS JOE WILSSENS PHOTOS

First time: Australia exhibit at SAE

Petersen sounds warning at SAE

Manufacturing isn't un-American, Ford chairman emphasizes

By Al Fleming and Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — The 1987 SAE International Congress & Exposition at Cobo Hall was a record-smasher in every respect.

According to SAE officials, 36,200 attended the five-day event which ended last Friday, setting a new mark for attendance. The event also set records for number of exhibitors, exhibit space, number of sessions, publication sales and new-member applications.

A full-house annual banquet audience, 5,100 strong, heard Ford Motor Co. Chairman Donald E. Petersen offer engineers a dash of praise and a bit of warning.

Amid applause, he said Detroit has made great strides in recent years in product design, quality and productivity. But, he said, a trend toward acceptance of the notion that manufacturing is un-American is a serious threat.

The show reflected the increasingly global nature of the auto industry. Some 20 percent of the exhibitors were from overseas, and major speeches and press conferences abounded with international topics.

Robert J. Eaton, General Motors vice president and group executive in charge of Technical Staffs, set the tone in his keynote address.

"Competition is no longer national in scope," he said. "Its dimensions are global. Competitive rivalry is no longer just between companies. It's between countries, systems, approaches and outlooks."

Calling for "new perspectives" on the part of U.S. companies, he said, "The United States traditionally has looked inward, while other nations were forced to depend on international commerce for their prosperity and even their survival. Global competitiveness must now be the watchword for our decisions and actions."

Another thing that must change, according to Eaton, is where U.S. companies put their emphasis.

"In America, we glorify the people on the front end of the product cycle — inventors and designers. People involved in manufacturing and productivity don't get the same recognition.

"Our competitors glorify the people who create productivity solutions. They understand the link between productivity and world competitiveness, and the link between competitiveness, jobs and their standard of living."

Eaton called for a "clean sheet of paper approach — not just in the design studio or on the factory floor, but in every office, in every union hall and every government building."

Noting that U.S. management, labor and government have different goals and interests, Eaton said, "Management's ultimate objective is return on stockholders' equity, labor's is jobs and the government's is a rising national standard of living.

"By recognizing the legitimacy of the others' goals, each of the three makes it possible to achieve its own.

"None can succeed alone. None will succeed unless all succeed."

At a press conference, Sir Godfrey Messervy, chairman of Lucas Industries PLC in in Great Britain took the Japanese to task.

He said it would be "very damaging" if the Japanese were permitted to establish new assembly facilities in Europe and the United States "while importing the majority of their higher added-value systems from their associated Japanese suppliers and purchasing locally only low value-added parts."

Sir Godfrey suggested that in order to qualify as "European products, cars made in Japanese-owned factories in Europe should be at least 80 percent European Community content."

He said, "This content should not be measured, as it is today, by ex-factory value, which can include marketing and distribution costs, but by the actual cost of

see SAE, page 53

Mitsubishi to add U.S. dealers, staff

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

FOUNTAIN VALLEY, Calif. — Mitsubishi Motor Sales of America is reorganizing its sales, service and parts operations, expanding its field staff and adding dealers to prepare for the late-1988 opening of a U.S. assembly plant.

But equally important to Mitsubishi is positioning for what it considers to be the key battleground of the late 1980s — being the megadealers' favorite franchise.

The reasoning, as outlined in an interview by Robert Stallsmith, Mitsubishi vice president of sales, is that most manufacturers will be so close in terms of overall quality, design and price by the end of the decade that the biggest differences will be in the dealership networks.

The emergence of the megadealer or multiple-franchise dealer has been a fact of life for Mitsubishi Motor Sales of America since it was established in 1982. About 95 percent of MMSA's 152 dealers have competing-brand franchises.

For Mitsubishi, the goal is to become the biggest, most profitable franchise a megadealer handles so he will give Mitsubishi more attention, Stallsmith said.

"You're fooling yourself if you expect a 10-franchise dealer will personally run your shop," he said. "So we always want to know the general managers, too. And the way to get the best managers a megadealer has is to be his most profitable franchise."

Mitsubishi has worked under the cloud of the export quotas that restricted the availability of cars from Japan, but it chose to keep dealer volumes high rather than push for full national representation.

One key to expansion is the availability of 30,000 more cars a year. This month, Mitsubishi will introduce the Precis (it rhymes with "thesis"), a car assembled by Hyundai.

Precis will be a Mitsubishi-badged version of the Hyundai Excel, which is itself a one-generation-old version of the Mitsubishi Mirage produced by MMSA's Japanese parent, Mitsubishi Motors Corp. The three-door, four-speed-manual base model at $5,195 will match Hyundai's base price.

"Precis allows us to attract the kind of dealer we want for the future when we have U.S. sourcing, not only by giving us more volume, but because we now have an entry-level car," Stallsmith said.

Mitsubishi has added 62 dealers in the past 14 months and expects to have 160 sales points by the end of 1987, he said.

Stallsmith

Lepley

The next stage of dealer growth will coincide with the opening in late 1988 of the Diamond-Star plant in Bloomington, Ill. The joint venture between Chrysler Motors and Mitsubishi Motors Corp. will have capacity to assemble 120,000 cars a year for each partner.

MMSA plans to have 325 dealers by 1990 and sell about 300,000 cars and trucks a year, Stallsmith said. He projected sales of 90,000 imported trucks, 120,000 Diamond-Star cars (roughly half Cordia-class four-doors and half sporty two-doors), 30,000 cars from Korea and 60,000 Japanese imports. The Japanese import figure is up 9 percent from 1986.

MMSA has made several changes to prepare for that growth.

Stallsmith will be working more directly with Diamond-Star. He retains the national sales manager portion of his official title and continues to report to Richard Recchia, MMSA executive vice president and chief operating officer.

Rick Lepley, formerly Eastern regional director, becomes general sales manager, a new post, reporting to Stallsmith.

Lepley will be succeeded as Eastern regional director by Donald Lavin, previously dealer placement manager for the Eastern region. Stallsmith, Lepley and Lavin have been with MMSA since 1982.

Mitsubishi also is reorganizing and adding to its field organization in some unconventional moves that run counter to trends toward centralization and thinning of field staffs.

During the next five months, MMSA will realign district offices so that each has a team of three managers — sales, service and parts — and each serves the same set of 12 or 13 dealers.

That is a substantial reduction in the number of dealers each manager will handle. The policy is part of MMSA's strategy of becoming the megadealer's favorite franchise.

The field reorganization starts this week in San Francisco and Florida regions and will be completed by the fall of 1988.

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61st year—No. 5169

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UAW to step up salaried-worker recruitment

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The UAW has taken steps to capitalize on what it says is a more favorable climate for organizing salaried employees both outside and within the auto industry.

The UAW will create three new occupationally linked councils under its Technical, Office and Professional Department to advance organizing and bargaining programs.

The union also established a new department to carry on the existing programs of its District 65 affiliate, which has been successful in organizing small units. District 65 represents salaried employees at firms such as Harper and Row and the Village Voice; university employees; and salaried and production workers at Revlon Inc.

In addition to its existing Academic Council, the UAW will establish a Public Employee Council with representatives from governmental bargaining units under UAW contract.

The union will establish a Private Employee Council. This group will comprise delegates from salaried, office and technical groups at firms including auto companies. Newly organized groups from industries such as banking and insurance will be included.

A Health Care Council will be formed, including UAW-represented employees of Blue Cross/Blue Shield and other non-profit firms.

Referring to salaried workers in the auto industry, a UAW spokesman in Detroit said, "The problem is in the past we have been used by groups of salaried people who bring us in as a bogeyman when they have a fight. We've always tried to be helpful and available, but often the employees are not fundamentally committed" to representation.

The UAW represents about 10,000-12,000 salaried clerical and technical employees at auto firms, the spokesman said, "with the lion's share at Chrysler Corp."

Citing the better climate for organizing other salaried employees, he said, "There are a lot of educated people coming out of school or who are on the job market for a long time. Employers can exploit this oversupply, as in the day care industry," where workers get minimum wages and few benefits.

Chrysler, UAW extend Newark pact deadline

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors and UAW Local 1183 at its Newark, Del., assembly plant have extended until June 19 a deadline to reach a new labor agreement that is necessary to ensure the plant's future.

Chrysler had said it would withhold future product from the plant if a "modern operating agreement" was not reached by March 4. In February, members of Local 1183 rejected Chrysler's request to negotiate a new pact.

A second vote now will be held on reopening the local contract, which expires in September 1988.

The Newark plant has been scheduled to begin making Chrysler's A-cars in late 1988. The A-cars will replace the K-cars now assembled in the plant.

Local 1183 officials declined comment. But George Smith, regional director of UAW Region 8, said he is "confident" Local 1183 will authorize negotiation of a new contract in a second vote.

Following the first vote, a petition drive was launched in the plant, seeking reconsideration.

Smith blamed the initial defeat on lack of time needed to explain the issues to the union membership. Chrysler set the March 4 deadline in a Jan. 15 letter to the union.

"We went back to the company and told them their approach was less than desirable," Smith said. "Both sides are willing to reconsider."

Prior to the reconciliation, UAW Vice President Marc Stepp, director of the union's Chrysler department, reportedly wrote two letters to company executives and accused Chrysler of interfering in internal union elections.

Stepp claimed that Chrysler was trying to interfere by pushing for negotiation of a new agreement before election of local union officers in May.

Following the union's refusal to reopen the contract, the company said it was accelerating a study to seek an alternate assembly site for the A-car. It also halted all facility construction and training that were underway in Newark in preparation for the A-car.

A Chrysler spokesman said the company will commit A-car assembly to the Newark plant if a new agreement is ratified.

Chrysler employs 4,300, including 3,800 hourly workers, at the Newark plant. The plant was built in 1952.

Smith said negotiations are likely to include discussion of fewer job classifications, pay-for-knowledge compensation, team production and the number of union representatives.

Chrysler has sought new labor agreements at several of its plants during the past year, citing an effort to obtain efficiency and productivity gains.

Permitting a second vote at Newark is not unprecedented. In August, Chrysler agreed to a second-chance vote on a new agreement at its Trenton, Mich., engine plant. Approval of the contract averted a plant phase-out.

Chrysler minivans to offer Mitsubishi V-6

Dodge Caravan, Plymouth Voyager and Dodge Mini Ram Van soon will be available with a new optional 3.0-liter V-6 engine which has a suggested retail price of $600. It is available only with an automatic transaxle. The engine, manufactured in Japan by Mitsubishi Motors Corp., provides 140 horsepower at 4,800 rpm with 170 pounds-feet of torque at 2,800 rpm. The V-6 increases the minivans' towing capacity to 2,750 pounds.

Automaker profits decline 6% for 1986

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — U.S. automakers' combined 1986 profits were down from 1985's although sales set an industry record.

Sales for General Motors, Ford Motor Co., Chrysler Corp. and American Motors totaled $191.6 billion in 1986, up 10 percent from 1985's $174.4 billion, the previous record.

Combined profits totaled $7.5 billion, down 6 percent from 1985's $8.0 billion mainly because of AMC's loss and significantly lower GM earnings.

For the fourth quarter, sales again were higher than the year-ago period while profits were off substantially. Combined fourth-quarter sales totaled $48.7 billion, setting a new fourth-quarter record. Sales were up 8 percent from $45.2 billion in the fourth quarter of 1985.

Profits dropped 32 percent to $1.5 billion compared with $2.2 billion in 1985.

For the year, GM reported a profit of $2.9 billion, down 28 percent from 1985's $4.0 billion. Sales for the year were a record $102.8 billion, up 7 percent from $96.4 billion in 1985.

For the fourth quarter, GM's earnings were $382 million, a 71 percent drop from $1.3 billion in the fourth quarter of 1985. It was GM's lowest fourth-quarter profit since the recession year of 1982.

Ford, meanwhile, outearned GM for the first time since 1924. Ford reported 1986 profits were $3.3 billion, up 32 percent from 1985's $2.5 billion, surpassing the previous record of $2.9 billion earned in 1984. Sales for 1986 were a record $62.7 billion, up 19 percent from $52.8 billion in 1985.

For the quarter, Ford earned $785 million, up 9 percent from $720 million in the year-earlier quarter. It was Ford's best-ever fourth quarter. Sales for the quarter were a record $16.3 billion, up 16 percent from $14.1 billion in 1985, the previous record.

Chrysler reported its third-best year for profits on record sales in 1986. Earnings for the year were $1.4 billion, down 13 percent from $1.6 billion in 1985. Sales were a record $22.6 billion, up 6 percent from $21.3 billion in 1985, the previous record.

For the fourth quarter, Chrysler came within $58 million of matching GM's fourth-quarter earnings. Chrysler profits for the quarter were $324 million, up 51 percent from $215 million in the year-earlier fourth quarter. Fourth-quarter sales were a record $5.9 billion, up 9 percent from $5.4 billion in 1985.

AMC reduced its full-year loss in 1986 by turning a profit in the fourth quarter. For the year, AMC lost $91 million, an improvement from a $125 million loss in 1985, though sales were lower. Sales for the year were $3.4 billion, down 15 percent from $4.0 billion in 1985.

AMC earned a profit of $20 million in the fourth quarter, its first quarterly profit in two years. That compared with a loss of $7 million in the fourth quarter of 1985. Sales for the quarter were $938 million, down 17 percent from $1.1 billion.

AUTO MAKERS' SALES, PROFITS (In millions)

	1986 Sales	1986 Profit (Loss)	1985 Sales	1985 Profit (Loss)
American Motors	$ 3,463	$(91)	$ 4,040	$(125)
Chrysler Corp.	22,586	1,404	21,256	1,635
Ford Motor Co.	62,716	3,285	52,774	2,515
General Motors	102,814	2,945	96,372	3,999
TOTAL	$191,579	$7,543	$174,442	$8,024
	Fourth Quarter 1986 Sales	Profit (Loss)	Fourth Quarter 1985 Sales	Profit (Loss)
American Motors	$ 938	$ 20	$ 1,128	$(7)
Chrysler Corp.	5,939	324	5,383	215
Ford Motor Co.	16,262	785	14,096	720
General Motors	25,527	382	24,641	1,252
TOTAL	$48,666	$1,511	$45,248	$2,180

Saturn dealers near; name change eyed

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Saturn Corp. will begin appointing dealers by late spring or early summer while executives of General Motors' newest division contemplate a change in the firm's name.

Donald W. Hudler, Saturn vice president of marketing, sales and service, said the company will outline the process by which dealers will be selected within the next 90 days and announce the selection of some dealers shortly thereafter.

Saturn President Richard LeFauve said last fall that the first Saturn dealers will be located in areas where imports are strong.

In the meantime, Saturn executives will consider changing the name of the auto division.

Last September, Saturn Corp. was slapped with a lawsuit when it tried to register the name as a federal trademark. Saturn Tire & Rubber Co., a tire distributor in Bloomington, Ill., is asking for all profits GM derived from its use of that name.

GM's Saturn made an undisclosed counter offer to Saturn Tire & Rubber Co. after the suit was filed but it was not accepted. The case is pending.

Hudler, who was appointed to the Saturn post Feb. 1, said it was a "prudent time" to review alternative names. Saturn executives are now mulling possible names though no deadline has been set for a decision.

The Spring Hill, Tenn., Saturn plant will initially produce 200,000 to 250,000 cars annually, beginning in the summer of 1990.

Corsica holds up best in Insurance Institute bumper test

HOW MUCH A CRASH COSTS

Car	Front into barrier	Rear into barrier	Front into angled barrier	Rear into pole	Total Damage in All Tests
Chevrolet Corsica*	$40	0	$204	$175	$419
Toyota Camry	67	0	274	525	866
Buick Skylark	0	0	795	229	1,024
Oldsmobile Firenza	0	0	351	774	1,125
Pontiac Sunbird	0	13	491	739	1,243
Ford Tempo GL	221	12	665	361	1,259
Nissan Stanza E	0	53	817	509	1,379
Oldsmobile Calais	216	35	733	397	1,381
Chrysler LeBaron GTS	199	113	765	453	1,530
Mercury Sable GS	0	0	459	1,112	1,571
Plymouth Reliant LE	127	284	488	718	1,617
Chevrolet Celebrity	350	265	639	365	1,619
Chevrolet Cavalier	25	248	976	406	1,655
Oldsmobile Ciera	0	0	836	868	1,704
Buick Skyhawk	134	0	560	1,017	1,710
Pontiac Grand Am	79	120	847	703	1,749
Chrysler LeBaron	208	211	247	1,206	1,872
Dodge 600	261	332	888	403	1,884
Ford Taurus GL	0	0	527	1,418	1,945
Buick Century	204	73	859	860	1,996
Pontiac 6000	55	88	822	1,039	2,004
Honda Accord DX	0	0	830	1,200	2,030

The damage repair costs to 1987 midsize four-door cars were estimated following 5 mph crashes. They are rounded to nearest dollar. Estimates were prepared in February 1987, by two independent damage appraisers using ADP Collision Estimating Services with a labor rate of $25 per hour. Criteria for bumper face bar damage were adapted from the U.S. Department of Transportation Part 581 Bumper Standard in effect Sept. 1979-July 1982.
*1988 model
Source: Insurance Institute for Highway Safety.

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The 1988 Chevrolet Corsica showed the least damage of 22 mid-sized cars when bumper performance was tested at 5 mph.

The tests were conducted by the Insurance Institute for Highway Safety.

Total repair cost for the Corsica was $419 following four tests: front- and rear-end impact into a flat barrier, front-end impact into an angled barrier and rear-end impact into a pole. That compared with $2,030 for repairs when the tests were performed on a 1987 Honda Accord DX.

Only one other car sustained less than $1,000 worth of damage in the four crash tests. The Toyota Camry's damage was $886.

The IIHS data showed six cars sustained no damage during front- and rear-end barrier tests. They were the Buick Skylark, Oldsmobile Firenza, Mercury Sable GS, Oldsmobile Cutlass Ciera, Ford Taurus GL and Honda Accord DX.

Repair costs to four other cars in the same test were: Pontiac Sunbird, $13; Chevrolet Corsica, $40; Chevrolet Cavalier, $53; and Toyota Camry, $67.

At the other extreme, the Chevrolet Celebrity ($615) and the Dodge 600 ($593) sustained the most damage of the 22 cars during front- and rear-end tests.

As late as 1982 models, NHTSA required no damage in 5-mph impacts (except for a dent on the bumper face) for front and rear bumpers.

But one of the Reagan administration's first auto industry deregulation actions was to reduce 5-mph front- and rear-bumper protection into flat barriers, and 3-mph corner pendulum impact, to 2.5 mph and 1.5 mph, respectively.

Because energy rises exponentially, not arithmetically, a 5-mph requirement is four times as stringent as 2.5 mph, and 3 mph is four times as forceful as 1.5 mph.

IIHS noted that all 22 cars suffered front damage during testing into an angled barrier. Eight had more than $800 worth of damage.

All sustained damage in the rear-end/pole test — a test that was not included in the safety agency's test procedures. Six cars sustained more than $1,000 damage in that test.

Ford Motor Co., which was the leader in the original bumper protection action at NHTSA, has retained its 5-mph front- and rear-bumper strength.

Robert H. Munson, director of Ford's automotive safety office, said the "best evidence" of the bumper strength and damage resistance of the Taurus and Sable is that the two largest insurance companies — State Farm Mutual and Allstate — and most other insurance companies offer what he called significant discounts for collision and comprehensive coverage on 1987 models.

AUCTION DATES

American Motors

March 3 — D-A Auto Auction, New Stanton, Pa.

March 4 — Metro Milwaukee Auto Auction, Caldonia, Wis., and Minneapolis Auto Auction, Plymouth, Minn.

March 5 — Todd Auto Auction, Telford, Pa.; Aptco Auto Auction, Taylor, Mich.; and Evansville Auto Auction, Evansville, Ind.

March 10 — Statesville Auto Auction, Statesville, N.C.

March 11 — Kansas City Auto Auction, Kansas City, Mo.

March 12 — Corry Auto Auciton, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

March 3 — American Auto Auction, Walpole, Mass.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

March 4 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

March 5 — Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Indianapolis Auto Auciton, Indianapolis

March 10 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Used Car Sales
Auction Averages

February, 1987	$5,711
Month ago	$5,494
Year ago	$4,811

Ford Motor Co.

March 3 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

March 4 — Northway Auto Auction, Clifton Park, N.Y.; Lakeland Auto Auction, Lakeland, Fla.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

March 5 — Nashville Auto Auction, Nashville, Tenn.

March 11 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; Columbus Fair Auto Auction, Obetz, Ohio; Salt Lake Auto Auction, Salt Lake City; and Southern California Auto Auction, Fontana, Calif.

March 12 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

March 18 — Lakeland Auto Auction, Lakeland, Fla., and Golden Gate Auto Auction, Fremont, Calif.

March 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$13,406	$13,158	$ 00
1986	$10,038	$11,481	$11,149
1985	$7,382	$7,054	$8,144
1984	$5,940	$5,811	$6,142
1983	$4,843	$4,995	$5,386
1982	$3,628	$3,599	$4,141
1981	$2,537	$2,614	$3,177
1980	$2,167	$1,997	$2,349
Overall Average	$5,711	$5,129	$5,181

General Motors

March 3 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and 166 Auto Auction, Springfield, Mo.

March 4 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

March 5 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

March 10 — Denver Auto Auction, Englewood, Colo.

Advanced aircraft propulsion system could provide fuel savings

GM, United Tech team up on prop-fan for aircraft

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors and United Technologies have formed a joint venture to develop a new propulsion system for aircraft in the 1990s.

"We think this is an opportunity to write a new chapter in the history of commercial aviation," said GM President F. James McDonald. He spoke at a press conference last week, which was held to announce the joint venture and display a model of the propulsion system.

The new company, formed by GM's Allison Gas Turbine Division and United Technologies' Pratt & Whitney, will be called PW-Allison Engines. Its sole purpose is to develop and demonstrate prop-fan engine technology. Hamilton Standard, the world's largest maker of propellers, invented the prop-fan more than 10 years ago under NASA sponsorship and also is participating in the venture.

The prop-fan involves two fan-like propellers rotating in opposite directions. Under development by the companies for two years, the prop-fan is said to save up to 30 percent in fuel compared with today's turbofans without sacrificing speed or passenger comfort.

Officials of the new company said the prop-fan makes a new generation of efficient aircraft possible. Airlines are interested in more-fuel-efficient engines, and GM and UTC claim the prop-fan can cut an airline's operating cost by 10 percent.

F. Blake Wallace, Allison general manager, and Lawrence W. Clarkson, president of Pratt & Whitney's Commercial Products Division, said they estimate 2,000 next-generation aircraft, which will be in the skies in the early 1990s, are possibilities for the prop-fan.

The joint-venture company has no orders now but expects to have some in a year or so. Officials of the company said they believe the prop-fan operation could grow into a $14 billion business annually.

General Electric has prop-fan development in the works, and officials of the joint-venture company expect more competition to arise. Nevertheless, they are confident that their joint venture's technology is superior.

In addition, PW-Allison expects to be able to sell its propulsion systems for less because of lower costs. Instead of developing an all-new engine, a derivative engine based on Allison's current Model 578 is being used.

The investment for prop-fan development is about $500 million to $1 billion, the companies said.

The PW-Allison partnership capitalizes on the strengths of Pratt & Whitney, the leading supplier of aircraft engines for the commercial airline market; Allison, the major supplier of large turboprop engines for military aircraft; and Hamilton Standard, the largest propeller manufacturer.

Last February, Allison and Pratt & Whitney signed an agreement to to demonstrate a propulsion system on a McDonnell Douglas MD-80 aircraft by the end of this year. This planecan carry about 130 passengers.

The joint-venture company will be headquartered in Hartford, Conn. Work on prop-fans will be done in East Hartford, Conn., and Indianapolis.

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Hyundai sales per dealer a record 1,431

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

The average Hyundai dealership sold 1,431 cars in 1986, a total far above any competitor not only for the year, but in history.

It was the first time any line's average new-car sales per outlet breached the 1,000 barrier, according to Automotive News.

The first Hyundai cars went on sale in limited U.S. marketing areas on Feb. 20, 1986, so the South Korean car's huge sales-per-outlet total was compiled in less than a full year.

At introduction time, Hyundai had 75 dealers. The total rose gradually to 161 by the end of 1986. Sales per dealer are computed on the average number of dealers throughout the year. Even if Hyundai's year-end total had been used, its average still would have been more than 300 units above that of any other make of car on the U.S. market and a record.

Hyundai sells only cars in this country, but its 1,431 sales per outlet substantially exceeded even those makes that offer both cars and light trucks.

The top car-and-truck entry was Toyota, whose dealers averaged 592 new cars and 355 trucks for a total of 947.

Imports captured the first six places in car sales per franchise. Following Hyundai were Honda, 716; Toyota, 592; Nissan, 495; Mitsubishi, 489; and Acura, 352. Acura was new to the U.S. market and began selling cars in March.

Oldsmobile led the domestics with an average of 334 car sales per dealership, unchanged from its record total in 1985. Olds was followed by Chevrolet with 311 car deliveries, down from 331 in 1985.

In 1985, Honda led with 640 car sales per dealer. Mitsubishi led the car-and-truck category in 1985 with 920 sales per outlet.

Of 1986's top 10 makes in car sales per franchise, six were Japanese, three domestic and one Korean. In 1985, five of the top 10 were U.S. lines and five were Japanese.

There were 20,405 domestic-car outlets on Jan. 1 this year, down 268 from 20,673 in business a year earlier. There were 16,969 dealerships selling imported cars, but 12,218 of those also sold domestic lines and were included in the domestic total. There were 4,751 import-only dealerships as of Jan. 1.

The overall average number of new-car sales per domestic company outlet, including Volkswagen and Renault, was 399 in 1986, up slightly from 393 in 1985.

New-car deliveries per dealership last year averaged 464 for General Motors, virtually unchanged from 465 in 1985. Ford points delivered an average of 365 new cars in 1986 compared with 374 in 1985.

Chrysler Motors dealerships turned over the keys to an average of 292 new cars, up from 285 in 1985. American Motors-Renault new-car deliveries, at an average of 52, were well below the 91 of the year before. The average Volkswagen point delivered 247 new cars including imports, about the same as the 246 sales per dealer in 1985.

An analysis of domestic-car sales per dealer by market class — also shown in an accompanying table — found that Escort, with 87, was the leader among the subcompacts for the second year running. Second in the class for the second year was the Volkswagen Golf with 84.

In the compact class, Honda's Accord took the honors with deliveries averaging 239 units. The closest competitor in that category was Chevrolet Cavalier with 71 sales per average dealership. In 1985, Cavalier led that market sector with an average of 85. Accord was not included in the domestic rankings in 1985.

Leader in the intermediate category was Oldsmobile Cutlass Ciera with 104 deliveries followed by Chevrolet Celebrity and Buick Century with 82.

Among standard-size cars, the Oldsmobile 88 led the way with 82 sales per franchise. It was the leader in 1985 as well with 59. Buick LeSabre, with 45 sales per deal in 1986, moved up to the second spot among standards from fourth in 1985.

Cadillac DeVille-Fleetwood-Brougham, with an average of 146 sales per franchise, was the leader among the luxury lines.

U.S. NAMEPLATES, SALES PER OUTLET

1986 Position	Make	1985 Position
Subcompact		
1— 87	Escort	90— 1
2— 84	Volkswagen	88— 2
3— 48	Nissan	— —
4— 38	Alliance	53— 3
5— 37	Horizon	28— 7
6— 34	Nova	24— 9
7— 33	Omni	24— 9
8— 26	Civic	— —
9— 24	Lynx	31— 4
10— 23	Fiero	31— 4
11— 17	Charger	20—10
12— 16	Turismo	17—11
13— 15	Chevette	26— 8
14— 13	Daytona	17—11
14— 13	Encore	29— 6
16— 10	Laser	17—11
17— 7	Shadow	— —
18— 6	Sundance	— —
19— 4	Pontiac 1000	14— 8
Compact		
1—239	Accord	— —
2— 71	Cavalier	85— 1
3— 57	Tempo	59— 2
4— 43	Reliant	49— 3
5— 37	Aries	40— 4
6— 36	Mustang	34— 7
7— 35	Sunbird	39— 5
8— 33	Camaro	39— 5
9— 32	Firebird	34— 7
10— 31	LeBaron K	29— 9
11— 25	Skyhawk	29— 9
11— 25	Topaz	27—11
13— 15	Cimarron	13—13
14— 11	Firenza	16—12
15— 7	Toyota	— —
16— 5	Capri	6—15
17— 3	Eagle	9—14
Intermediate		
1—104	Ciera	105— 1
2— 82	Celebrity	72— 3
2— 82	Century	79— 2
4— 69	Grand Am	41— 7
5— 67	Pontiac 6000	55— 5
6— 60	Cutlass Supreme	68— 4
7— 57	Taurus	1—24
8— 42	Cougar	43— 6
9— 38	Somerset Regal	32—12
10— 36	Sable	1—24
10— 36	Calais	39— 8
12— 30	Thunderbird	33—11
13— 27	Regal	38— 9
14— 22	LeBaron GTS	24—14
14— 22	Monte Carlo	15—22
16— 21	Dodge 600	19—17
17— 19	New Yorker	19—17
18— 14	Lancer	17—20
18— 14	Bonneville	17—20
20— 13	Caravelle	12—22
21— 12	Grand Prix	20—16
22— 5	LTD	38— 9
23— 4	Marquis	32—12
24— 3	Corsica/Beretta	— —
25— 1	Skylark	19—17
26— 1	Citation	9—23
Standard		
1— 82	Olds 88	59— 1
2— 45	LeSabre	39— 4
2— 45	Grand Marquis	49— 2
2— 45	Chevrolet	49— 2
5— 29	Crown Victoria	35— 5
6— 25	87 Parisienne	23— 6
7— 12	Diplomat	12— 7
8— 6	Gran Fury	6— 8
Luxury		
1—146	Cadillac	116— 1
2— 83	Lincoln	74— 2
3— 37	Electra	33— 6
4— 35	Fifth Avenue	36— 4
5— 34	Olds 98	38— 3
6— 15	Mark VII	12—10
7— 15	Eldorado	36— 4
8— 13	Continental	18— 7
8— 13	Seville	18— 7
10— 8	Riviera	16— 9
11— 7	Corvette	7—12
12— 5	Toronado	10—11

CAR-TRUCK SALES PER OUTLET

1986 Position	Make	1985 Position
1—1431	Hyundai	— —
2— 947	Toyota	874— 2
3— 791	Mitsubishi	920— 1
4— 716	Honda	640— 4
5— 697	Nissan	751— 3
6— 589	Suzuki	53— 30
7— 585	Ford	565— 6
8— 556	Chevrolet	586— 5
9— 494	Mazda	429— 7
10— 352	Acura	— —
11— 334	Oldsmobile	334— 8
12— 316	Dodge	297— 9
13— 283	Pontiac	265—11
14— 276	Volvo	257—12
15— 260	Buick	285—10
16— 247	Volkswagen	246—13
17— 236	Isuzu	199—17
17— 236	Mercedes	207—15
19— 226	Subaru	219—14
19— 226	BMW	204—16
21— 188	Cadillac	185—19
22— 179	Mercury	189—18
23— 157	Plymouth	146—21
24— 152	AMC	133—22
25— 146	Audi	182—20
26— 137	Saab	115—26
27— 126	GMC	128—23
28— 116	Chrysler	124—24
29— 110	Lincoln	104—27
30— 94	Porsche	78—29
31— 58	Jaguar	120—25
32— 54	Alfa Romeo	33—33
33— 51	Puegeot	53—30
34— 41	Renault	87—28
35— 34	Dodge Imports	43—32
36— 32	Chevrolet Imports	21—35
37— 21	Plymouth Imports	17—36
38— 20	Maserati	24—34
39— 19	Merkur	12—37
40— 1	Chrysler Conquest	— —

CAR SALES PER OUTLET BY MAKE, TOTAL U.S. MARKET

	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
Hyundai†	1,431	....	....	....	....	....	....	....	....	....
Honda†	716	640	610	494	455	470	496	488	396	339
Toyota†	592	572	515	511	484	528	541	485	423	479
Nissan†	495	520	439	479	428	421	475	445	323	384
Mitsubishi	489	598	477	435	59	....	....	....	....	....
Acura	352	....	....	....	....	....	....	....	....	....
Oldsmobile	334	334	331	320	254	263	251	286	302	294
Chevrolet	311	331	304	261	238	259	303	364	394	381
Ford	301	295	276	230	197	197	204	269	326	335
Mazda	290	277	223	228	213	218	213	213	114	95
Pontiac	283	265	235	187	162	179	195	241	277	249
Volvo	276	257	246	220	185	159	140	136	120	103
Buick	260	285	318	288	247	244	239	234	256	245
Volkswagen†	247	246	197	177	164	241	264	274	213	252
Mercedes-Benz	236	207	190	177	161	154	132	130	115	119
Subaru	226	219	196	198	195	201	191	175	145	118
BMW	226	204	170	145	132	112	103	98	92	93
Cadillac	188	185	200	189	157	144	133	193	215	207
Mercury	179	189	195	156	125	127	117	172	195	172
Dodge	155	149	131	120	105	126	108	133	158	162
Audi	146	182	172	115	108	118	97	98	95	85
Saab	137	115	102	81	60	47	44	46	48	42
Isuzu	134	118	80	98	77	98	....	....	....	....
Plymouth	120	110	99	99	98	129	97	110	133	143
Chrysler	116	124	110	94	66	35	50	76	89	96
Lincoln	110	104	97	67	64	43	45	80	115	112
Porsche	94	78	61	66	44	35	32	43	54	65
Jaguar	58	120	98	81	49	20	11	14	17	15
Alfa Romeo	54	31	27	17	16	19	18	35	39	29
Peugeot	51	53	64	47	43	51	42	42	32	35
Renault††	51	87	135	135	51	22	24	44	47	46
Chevy Sprint/Spectrum	32	21	29	....	....	....	....	....	....	....
Dodge/Mitsubishi	23	19	17	15	16	19	24	27	21	37
Plymouth Mitsubishi	21	17	12	13	15	19	27	22	15	....
Maserati	20	24	....	....	....	....	....	....	....	....
Merkur	19	12	....	....	....	....	....	....	....	....
AMC	6	9	14	23	53	85	88	97	105	112
Chrysler Conquest	1	....	....	....	....	....	....	....	....	....

† Domestic plus imports.
†† Renault joined domestics in 1982. Average includes imported Renaults and U.S.-built Alliances and Encores.

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HYUNDAI

FROM PAGE 1

averaged twice that.

Why the success? Dealers point to two things: Quality and price.

"If you build a better mousetrap and sell it for less than anyone else, the world will beat a path to your door," said John Eagle, president of Eagle Hyundai Inc., Dallas.

Of course, an early reputation for quality will be put to stricter tests over time. For now, according to a J.D. Power & Associates survey, Hyundai buyers are no more content with their cars than new-car customers as a whole. The California marketing information firm found that half of Hyundai buyers were extremely satisfied with their cars three months after purchase — about average for the industry.

But dealers give the company high marks for paying attention to the customer. Some early minor problems — a weak trunk spring, for example — were soon corrected at Hyundai's Ulsan, South Korea, assembly plant. Other companies, dealers say, might not have bothered with the problem until the next model year.

On the pricing front, Hyundai has had the good fortune of seeing the Korean won keep pace with the falling U.S. dollar. As a result, Hyundai hasn't felt the same pricing pressure faced by Japanese companies, which have been forced to raise prices sharply to make up for the stronger yen. The base Hyundai Excel, which recently went up $200, now costs $5,195. Dealers estimate that their average sticker price falls in the $6,500-$7,000 range.

There's more to Hyundai's success than its product, however. Hyundai's method of picking dealers is designed to produce high sales, Jamiesson said. No dual dealerships are allowed. And those most likely to be selected are established dealers, often mega-dealers, who have a strong history and know their market.

Beyond that, though, Hyundai is trying to give dealers room to work, supplying them with as many cars as they can sell and not overloading markets. If a leading importer has six outlets in a city, Hyundai might come in with four or five in prime locations. "Fewer is better," Jamiesson said.

"If we can strategically put the dealers in the right location, their advertising clout together helps them do a better job," Jamiesson said.

Its existing dealer network, which covers major markets on both U.S. coasts and throughout the South, is responsible for the sales performance to date. Of the 161 dealers in place by year end, 136 sold more than 1,000 cars apiece. Six dealers exceeded 2,000.

Sales per dealer will inevitably fall, Jamiesson said, as Hyundai steps into smaller markets where volume won't be as high. But there are still some major city markets to conquer. This fall, Hyundai takes its first steps into the Midwest, where it has nine dealers lined up in the Chicago area. By the end of 1988, Hyundai expects to have dealers in 48 states.

Jamiesson said Hyundai's challenge in its second year will be balancing inventory with demand and keeping dealers supplied without overstocking. Hyundai's current 22-day supply is just a shade above the company's goal.

Another challenge, and a far more tedious one, will be keeping track of the 5,500 applications Hyundai has received so far from dealers interested in obtaining a franchise. If Hyundai's 1987 performance even faintly imitates the 1986 record, that stack will grow.

PRODUCTION

Car output holds steady; week's build is 170,196

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled production of 170,196 cars was 0.91 percent below the prior week's 171,761 and 3.21 percent below the year-ago week's 175,844.

So far this year, 1,330,326 cars have been assembled, 8.63 percent below the 1,456,032 completed last year at this point.

Last week's production was split this way: General Motors, 51.09 percent; Ford Motor Co., 26.23 percent; Chrysler Motors, 13.10 percent; Honda of America Manufacturing Inc., 3.87 percent; New United Motor Manufacturing Inc., 2.35 percent; Nissan Motor Manufacturing Co., U.S.A., 1.72 percent; Volkswagen of America, 1.18 percent; and American Motors, 0.46 percent.

Volkswagen of America's Westmoreland, Pa., plant resumed output last week (Feb. 23) after being idle for one week for installation of new parts.

GM's Arlington, Texas, plant resumed production today (March 2). The plant had been down since Dec. 8 for installation of paint equipment.

GM's Norwood, Ohio, plant also resumed output today after being idle for one week for inventory adjustment.

Saturday (Feb. 28) overtime was slated for three GM plants: Detroit (Clark Avenue); Linden, N.J.; and Wilmington, Del.

Ford scheduled Saturday overtime at its Lorain, Ohio, and Atlanta plants.

All Ford plants are slated for daily overtime this week.

Chrysler's Newark, Del.; Sterling Heights, Mich.; and Detroit plants were scheduled for overtime Saturday. Those plants are slated for daily overtime this week.

Truck assemblies jump to 78,680

U.S. truck manufacturers planned to build 78,680 units last week, 5.79 percent more than the previous week's 74,376 and 11.52 percent more than the year-ago week's 70,552.

Year-to-date, 619,618 trucks have been assembled, 3.06 percent more than the 601,224 completed last year at this time.

General Motors' slated Saturday (Feb. 28) overtime at its Baltimore; Detroit; Pontiac, Mich. (No. 2); and Fort Wayne, Ind., plants.

Ford Motor Co. scheduled Saturday overtime at its Wayne, Mich.; Kansas City, Mo.; and St. Louis plants.

Daily overtime is scheduled this week (March 2) at all Ford truck plants.

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

Canadian cars, trucks trail 1986

Canadian automakers scheduled production of 20,857 cars last week, 1.54 percent more than the prior week's 20,540 but 15.44 percent below the year-ago week's 24,664.

So far this year, 157,604 cars have been built, 10.59 percent below the 176,272 assembled last year at this point.

Last week's truck production totaled 18,368 units, 4.13 percent more than the previous week's 17,640, but 6.22 percent below the year-ago week's 19,586.

Year-to-date, 131,206 trucks have been assembled, 16.99 percent below the 155,061 built last year at this time.

CANADIAN CAR	Week Ended Feb. 28, 1987	Week Ended March 1, 1986	Week Ended Feb. 21, 1987	Feb. Est.	Jan. 1 to March 1, 1986	Jan. 1 to Feb. 28 1987
AMERICAN MOTORS	150	0	156	611	1,200	1,216
FORD MOTOR	11,645	11,405	11,373	45,382	94,043	89,431
GENERAL MOTORS	8,637	13,034	8,702	35,547	79,212	64,194
HONDA	200	0	129	584	0	963
VOLVO	225	225	180	877	1,817	1,800
Total Cars, Canada	20,857	24,664	20,540	83,001	176,272	157,604

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

U.S. TRUCK☆	Week Ended Feb. 28, 1987	Week Ended March 1, 1986	Week Ended Feb. 21, 1987	Feb. Est.	Jan. 1 to March 1, 1986	Jan. 1 to Feb. 28, 1987
CHEVROLET	21,882	22,967	19,726	88,987	211,677	178,488
DODGE	5,000	0	5,317	20,952	0	38,841
FORD	33,310	29,803	31,524	130,717	245,807	259,910
GMC	8,250	7,463	7,675	31,712	62,752	61,704
NAVISTAR	1,613	1,486	1,620	6,126	12,426	12,332
JEEP	4,545	4,385	4,455	18,060	38,987	35,896
NISSAN	1,730	1,998	1,709	6,831	10,153	13,647
AM GENERAL	50	50	50	200	422	400
MISCELLANEOUS	2,300	2,400	2,300	9,200	19,000	18,400
Total Trucks, U.S.	78,680	70,552	74,376	312,785	601,224	619,618

CANADIAN TRUCK	Week Ended Feb. 28, 1987	Week Ended March 1, 1986	Week Ended Feb. 21, 1987	Feb. Est.	Jan. 1 to March 1, 1986	Jan. 1 to Feb. 28, 1987
AMERICAN MOTORS	625	0	641	2,543	0	5,011
CHRYSLER	8,494	9,388	9,128	36,225	75,764	70,833
FORD	3,648	3,535	3,478	13,715	29,362	26,643
GENERAL MOTORS	5,400	6,451	4,195	15,651	51,428	27,130
NAVISTAR	201	212	198	789	1,507	1,589
Total Trucks, Canada	18,368	19,586	17,640	68,923	158,061	131,206
N. American Trucks	97,048	90,138	92,016	381,708	759,285	750,824

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Feb. 28, 1987	Week Ended March 1, 1986	Week Ended Feb. 21, 1987	Feb. Est.	Jan. 1 to March 1, 1986	Jan. 1 to Feb. 28 1987
AMERICAN MOTORS	790	2,029	746	3,023	6,852	6,114
Renault Total	790	2,029	746	3,023	6,852	6,114
Alliance	790	1,876	746	3,023	5,974	6,114
Encore	0	153	0	0	878	0
CHRYSLER MOTORS	22,300	26,116	28,363	104,697	258,914	206,292
Plymouth Total	8,900	7,220	11,171	40,878	71,756	79,595
Horizon	3,300	3,000	4,167	14,965	26,429	30,023
Sundance	2,000	0	2,530	9,065	0	17,769
Reliant	2,400	3,140	3,042	11,375	32,288	21,679
Caravelle	1,200	919	1,432	5,473	10,852	10,104
Gran Fury	0	161	0	0	2,187	0
Chrysler Total	5,300	9,115	6,700	24,981	95,544	46,743
Laser	0	910	0	0	8,999	0
LeBaron K	1,200	2,461	2,025	7,163	23,578	13,633
LeBaron J	1,800	0	2,097	7,485	0	13,152
LeBaron GTS	800	2,036	1,027	3,696	20,763	6,570
New Yorker/E-Class	1,500	1,223	1,551	6,637	13,179	13,388
Fifth Avenue	0	2,485	0	0	29,025	0
Dodge Total	8,100	9,781	10,492	38,838	91,614	79,954
Daytona	800	825	1,071	3,680	8,655	6,531
Omni	2,800	3,058	3,555	12,771	27,223	25,831
Shadow	1,800	0	2,286	8,249	0	16,250
Aries	1,500	2,541	2,114	8,402	21,983	18,310
Dodge 600	800	1,359	906	3,740	14,045	8,398
Lancer	400	1,573	560	1,996	15,812	4,634
Diplomat	0	425	0	0	3,896	0
FORD MOTOR	44,637	36,824	42,944	175,674	296,245	344,922
Ford Division	30,439	25,330	29,470	120,078	201,065	235,134
Escort	7,435	7,956	7,672	30,570	67,600	60,128
Mustang	4,607	4,239	4,445	18,812	34,464	36,993
Tempo	4,163	4,079	4,158	16,564	35,519	32,950
Taurus	10,389	5,359	10,442	41,665	32,950	81,883
Thunderbird	3,845	3,697	2,753	12,467	30,532	23,180
L-M Division	14,198	11,494	13,474	55,596	95,180	109,788
Mercury Total	10,098	7,807	10,256	41,331	63,349	79,807
Lynx	1,460	1,247	1,545	6,087	12,015	11,029
Capri	0	210	0	0	3,196	0
Topaz	1,359	1,338	1,356	5,337	11,788	10,739
Cougar	4,065	2,434	4,099	16,957	20,192	32,984
Sable	3,214	2,578	3,256	12,970	16,158	25,055
Lincoln Total	4,100	3,687	3,218	14,265	31,831	29,981
Continental	410	410	319	1,425	3,677	3,002
Lincoln	3,077	2,765	2,414	10,698	23,882	22,484
Mark VII	613	512	485	2,142	4,272	4,495
GENERAL MOTORS	86,959	99,984	85,335	350,589	611,365	649,100
Buick Total	13,931	14,613	12,702	54,604	128,014	110,030
Skyhawk	1,291	1,831	881	4,467	15,169	8,561
Century	4,361	4,966	4,509	17,579	42,126	34,176
Regal	1,142	949	892	4,242	6,330	7,915
Somerset/Skylark	1,690	1,803	899	6,154	16,456	15,031
LeSabre (fwd)	2,258	2,421	2,531	9,150	15,753	17,706
LeSabre/Electra(rwd)	212	254	275	1,408	2,041	3,993
Electra(fwd)	2,534	1,948	2,331	10,035	26,855	17,873
Riviera	443	441	384	1,569	3,284	4,755
Cadillac Total	8,090	6,012	7,882	29,287	50,980	58,263
Cimarron	425	450	499	1,621	3,676	3,784
Allante	45	0	50	202	0	369
Brougham (rwd)	2,772	1,973	2,546	8,788	12,790	15,325
DeVille (fwd)	4,000	2,820	4,075	15,731	28,677	29,664
Eldorado	405	448	327	1,332	3,418	3,120
Seville	443	321	385	1,613	2,419	6,001
Chevrolet Total	32,159	30,064	32,586	132,494	275,790	233,551
Chevette	0	1,930	0	0	21,988	0
Camaro	1,120	4,958	2,799	9,671	41,810	15,793
Cavalier	7,573	9,205	8,184	31,655	79,523	59,207
Celebrity	8,250	6,738	7,688	32,550	53,519	65,082
Corsica/Beretta	7,296	0	5,769	27,224	0	42,754
Monte Carlo	1,608	2,277	1,775	6,625	21,377	10,332
Chevrolet	5,672	3,964	5,725	22,183	54,550	35,212
Corvette	640	992	646	2,586	3,023	5,171
Oldsmobile Total	17,732	26,659	15,192	68,111	207,961	125,053
Firenza	450	1,143	293	1,954	8,617	4,289
Calais	2,870	3,418	1,544	10,468	26,863	20,765
Cutlass Ciera	4,849	5,465	4,748	19,218	56,774	35,174
Cutlass Supreme	1,270	5,230	1,404	5,104	38,779	5,813
88 (fwd)	5,440	7,695	4,609	20,421	44,941	37,474
88 (rwd)	432	365	391	1,643	4,622	3,345
Olds 98	2,078	3,042	1,927	8,152	25,014	14,716
Toronado	343	301	276	1,151	2,351	3,477
Pontiac Total	15,047	22,636	16,973	66,093	148,620	122,203
Acadian**	0	463	0	0	2,207	0
Fiero	1,200	1,888	1,070	3,968	14,337	5,464
1000	0	1,188	0	0	5,962	0
Firebird	1,050	3,184	2,556	8,682	22,372	13,360
2000 Sunbird	2,684	3,372	2,618	10,668	24,042	19,156
Grand Am	5,033	5,435	5,911	22,469	36,445	43,474
6000	1,680	4,971	1,507	6,439	26,430	13,370
Bonneville	3,150	0	3,118	12,541	0	25,402
Safari/Parisienne	250	2,135	193	1,326	16,825	1,977
HONDA	6,590	3,865	7,361	27,716	31,290	56,067
Civic	2,161	0	2,935	10,494	0	23,288
Accord	4,429	3,865	4,426	17,222	31,290	32,779
NISSAN	2,920	1,791	2,872	11,545	16,024	23,267
NUMMI	4,000	3,250	4,140	16,332	20,950	32,620
Corolla	750	0	836	3,233	0	6,627
Nova	3,250	3,250	3,304	13,099	20,950	25,993
VOLKSWAGEN	2,000	1,985	0	6,016	14,392	11,944
Golf/GTI	1,750	1,985	0	5,266	14,392	10,444
Jetta	250	0	0	750	0	1,500
Total Cars, U.S.	170,196	175,844	171,761	695,592	1,456,032	1,330,326
Total Cars, Canada	20,857	24,664	20,540	83,001	176,272	157,604
N. American Cars	191,053	200,508	192,301	778,593	1,632,304	1,487,930
N. American Trucks	97,048	90,138	92,016	381,708	759,285	750,824
North American Cars and Trucks	288,101	290,646	284,317	1,160,301	2,391,589	2,238,754

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

DOMESTIC SALES

	Feb.11-20, 1987	Feb.11-20, 1986
Renault		
Alliance-Encore	580†	1,300†
AMC	145†	250†
AMERICAN MOTORS	725	2,000
Chrysler	6,254	9,443
Plymouth	9,097	9,270
Dodge	10,779	11,970
CHRYSLER MOTORS	26,130	30,683
Ford	42,011	43,349
Mercury	13,341	16,402
Lincoln	3,873	4,523
FORD MOTOR CO.	59,225	64,274
Buick	14,326	22,968
Cadillac	7,163	10,439
Chevrolet	36,149	50,748
Oldsmobile	20,287	37,279
Pontiac	13,791	26,634
GENERAL MOTORS	91,716	148,068
VOLKSWAGEN	1,522	1,992
HONDA	6,208	3,993
NISSAN	1,791	2,897
TOYOTA	684	0
U.S. INDUSTRY TOTAL	188,001	253,907

†—Estimate

Sales slide 26% for Feb. 11-20; total is 188,001

Sales of new domestic cars fell to 188,001 in the 10 days ended Feb. 20., a drop of 26 percent from 253,907 a year earlier.

The daily selling rate weakened during the period to reverse a steadily upward trend that had started in mid-January. The mid-February daily selling rate was 20,889 cars, compared with 21,267 in the first 10 days of the month and 28,212 a year before.

Unusual snow, freezing rain and cold weather helped keep car shoppers in the East and Southeast out of showrooms.

Only Honda reported a gain in retail deliveries, as sales climbed 55.4 percent.

American Motors led those reporting declines with a fall-off of 63.7 percent. Nissan dealers sold 38.2 percent fewer cars than they did a year earlier, and General Motors dealers were down 38.1 percent.

Volkswagen had 23.6 percent fewer retail sales, and Chrysler Motors sales declined 14.8 percent.

Ford Motor Co. points reported relatively better sales, compared with January, but they were 7.8 percent below a year earlier.

Toyota, which was not selling U.S.-assembled cars a year ago, had mid-month deliveries of 684 units.

NHTSA to probe surging in Colts

WASHINGTON — NHTSA has informed Chrysler Motors that it is opening a defect investigation into "sudden unexpected acceleration" of all 1985-86 Colts. Chrysler imports the Colt from Japan's Mitsubishi Motors Corp.

NHTSA asked for data on the number of vehicles sold, their engine types and equipment. Chrysler had not responded by late last week.

NHTSA, in a letter, also asked Chrysler to provide complete details of owner complaints, field reports, service and technical bulletins, investigations, accidents and lawsuits.

Test data showing vehicle acceleration "from a standing start as a function of throttle position" has been requested, together with Chrysler's evaluation of the "causal or contributory factors."

NHTSA records reveal six complaints from owners, four accidents and three reported injuries. The government estimates that 150,000 models are affected.

3/11/87 C2700-1

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Insurance outlook improves

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

After suffering more than three years of eye-popping hikes in property and casualty insurance premiums, the nation's auto dealers have begun to get some relief.

Increases for policies renewed in 1987 will range generally between 5 percent and 25 percent, dealers and insurers said. And having been shocked in the past by triple-digit increases, dealers appear to be absorbing this year's higher premiums without flinching.

"The number of calls I have received has dropped off dramatically," said Grover H. Lewis Jr., operations manager for the National Automotive Insurance and Service Agency, an affiliate of the National Automobile Dealers Association. "There doesn't seem to be much concern."

The relief follows considerable scrambling to reduce risk and cut insurance costs. But the efforts haven't been enough to stop the increases altogether.

Last year, a survey by NADA found that only 32 percent of dealers who had taken steps to manage their risks had seen their premiums drop substantially.

And while lower premiums will still be the exception this year, the increases will, in one insurance official's terms, finally show some signs of sobriety.

Universal Underwriters, the nation's No. 1 insurer of auto dealers, expects its average property and casualty policy, including liability, will cost 5 percent more this year than in 1986. Others in the industry predict the typical increase will range up to 25 percent. The variations reflect a number of factors, including the policy's renewal date, the dealership's claim history, the size of its inventory and the carrier's loss record.

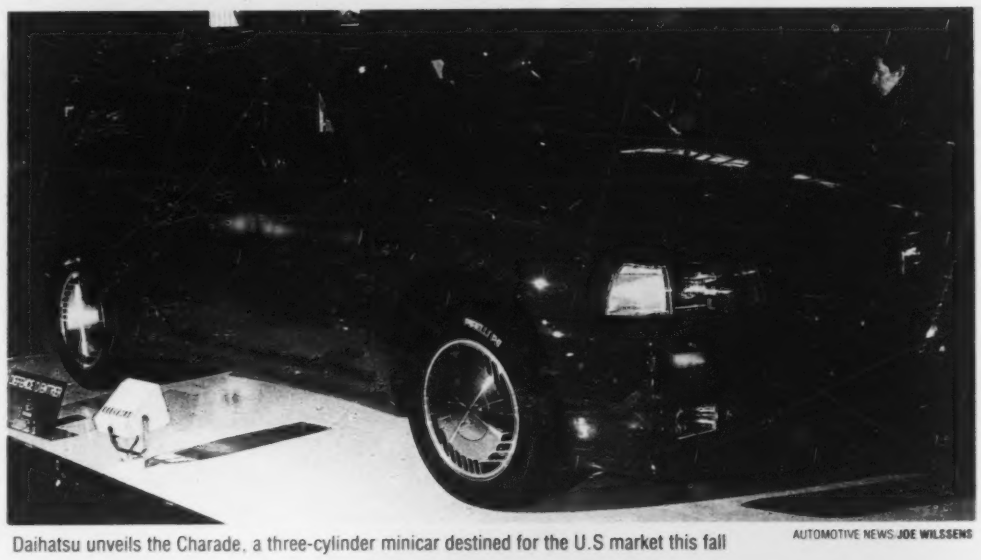
Another indication of more stable pricing is the fact that companies are actually seeking dealers' business. John Deere Insurance Co., for example, has targeted the auto-dealer market as a growth area after years of concentrating on farm-implement dealers.

Despite the improvements, however, there are some lingering problems.

In Texas, for example, mid-size dealers have no trouble getting $5 million of umbrella liability coverage, said Gene Fondren, president of the Texas Automobile Dealers Association. But for larger dealers, who might need an umbrella three or four times that size, the costs are disproportionately higher.

In addition, as dealers have become more sophisticated insurance buyers, so too have insurers become more careful sellers. As the

see INSURANCE, page 55



Daihatsu unveils the Charade, a three-cylinder minicar destined for the U.S market this fall

AUTOMOTIVE NEWS JOE WILSSENS

Daihatsu heads for U.S.

TOKYO — Japan will permit Daihatsu Motor Co. to export 10,000 cars to the United States beginning April 1.

The Kyodo news service quoted an anonymous government official who said quotas will be trimmed for the makers already exporting and that Toyota will be urged to reduce its estimated 620,000 annual shipments by 2,700. It owns 14.8 percent of Daihatsu.

Daihatsu plans to sell Charade models of the type unveiled at the Geneva show. Daihatsu had hoped to get 1 percent of the quota, approximately 23,000 vehicles.

— Francis J. Gawronski

Isuzu's Gemini Aero Sport prototype features a 1.6-liter, 16-valve engine

GENEVA

Americans active; EC warns Japan

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GENEVA — The Americans were at center stage during Europe's early spring showcase here last week — the 57th international auto show — but it was the Japanese who seemed to be on everyone's mind.

For starters, Daihatsu unveiled its new Charade, the three-cylinder mini that will spearhead the company's entry to the U.S. market this fall and may also be a car Poland decides to build and export to the West.

And with the world industry watching from Geneva, the European Commission in Brussels warned Japanese makers that unrestrained exports to Europe could result in broad sanctions. The stern reminder followed word that Japanese imports grew 38 percent in January after a late-1986 slack-off.

Speaking on the Citroen stand, Peugeot S.A. Chairman Jacques Calvet conveyed a new line of thinking with regard to Japanese expansion here. The French, he said, are willing to "study the problem" of removing the country's 3 percent ceiling on Japanese imports in exchange for a pan-European quota. In the past, individual restrictions in France, Italy, Spain and the United Kingdom have complicated the notion of EC-wide restraints.

The ideal Japanese penetration, said Calvet, is somewhere between their 10.7 percent market share in 1985 and last year's 11.7 percent.

While Europeans worried about Japan's high volume here, American companies talked of attaining relatively minor sales totals in Europe with the help of the descending dollar.

Releasing more details about its return to Europe, Chrysler said it would be happy to achieve an annual rate of 5,000 units after 18 months in the market. Ford may sell the U.S.-built Taurus station wagon in West Germany, and Gen-

see GENEVA, page 56

GM: 3 million air bags in '92

DETROIT — General Motors is planning a major effort on air bags and expects to build nearly three million cars with driver-side bags as standard equipment in the 1992 model year.

The program will start with 500,000 such cars in the 1990 model year.

GM's new program will make it the largest supplier of air-bagged cars in the 1990s, Chairman Roger Smith said last week.

Smith said consumers have a "new interest in safety" and are willing to accept them as a supplement to manual seat belts.

GM tried air bags once before, with unsatisfactory sales results. The bags were optional on Cadillac, Oldsmobile 98 and Buick Electra in 1974-76, but the program was discontinued when sales totaled only about 10,000 during that period.

At that time, GM had tooling to produce 100,000 air-bagged cars a year, but sales did not materialize.

GM's new drive will start with air bags as standard equipment on 500,000 cars in the 1990 model year. The installation rate will be expanded in 1991 and in 1992, when it will reach nearly three 3 million units. GM declined to say what car lines will have the air bags as standard equipment.

If GM continues selling at 1986 levels, that would represent nearly three-quarters of its output; last year it sold 4.6 million cars in the United States. By the end of the 1992 model year, GM may be installing air bags

see AIR BAGS, page 55

Yugo 103 by Giugiaro

Yugo recently unveiled its Giugiaro-designed 103 in Yugoslavia. Yugo America says the five-door hatchback will not be exported to the United States until 1989 at the earliest. Officials at Zastava, the Yugo manufacturer, said production will begin in the fall of 1988. The company is expecting to build 60,000 units per year at its facility in Kragujevac.

GM stock-buyback program gets mixed reviews from Wall Street

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Investors apparently don't quite know what to make of General Motors' decision to buy back up to 20 percent of its stock by the end of 1990.

GM's board of directors last week approved the repurchase of up to 63.9 million of its 319.4 million common shares outstanding by the end of 1990. The board also authorized the repurchase of up to 5 million shares of Class E (EDS) and up to 5 million shares of Class H (Hughes) stock.

The buybacks could cost GM more than $5 billion at current stock prices, which would make it the largest stock buyback by a U.S. corporation.

GM said the stock repurchases will be made from time to time as market and business conditions warrant. The shares will be held indefinitely in GM's treasury "for possible business use." In 1987, GM will purchase no more than 10 million shares, or about 3 percent

see BUYBACK, page 55

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TV auto ads top $2 billion — Page 3

Extra Section: Import World — Following Page 30

Sales in February fall 6.6 percent — Page 60

TV auto ads top $2 billion for first time

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Television advertising for new cars and trucks topped $2 billion for the first time in 1986.

The Television Bureau of Advertising (TVB) said combined television commercial spending by new-car and truck dealers, their ad associations and the factories reached $2.073 billion last year, an increase of 22 percent over the $1.7 billion spent in 1985.

Total expenditures for network television last year rose 11 percent to $824.9 million from $741.7 million in 1985, while spot TV expenditures rose 30 percent to $1.248 billion.

The result is that regional and local buys accounted for 60.2 percent of all automotive TV ad expenditures last year, compared with 56.4 percent in 1985.

Roger D. Rice, TVB president, said the shift in spending is the result of two trends: more target marketing by the factories and increased participation by regional dealer advertising associations.

"Region by region, you can see the shifts," Rice said. "Spending on big cars is in the middle of the country, while for imports it is generally within 300 miles of either coast.

"There is more target marketing as the companies are targeting who they're going after.

"The car companies have become better marketers and they are working more with the dealer groups," Rice said. "The result is that dealer groups are becoming more important."

Rice said he expects 1987 spending to be heavy in the first half of the year as the companies struggle to retain or capture market share in the wake of annual-percentage-rate finance incentives.

He also said that although spot time is more expensive to use than network time, the trend toward more regional and local purchases should continue.

see TV, page 27

Third Porsche pice hike puts '87 boost at $6,260

DETROIT — Porsche Cars North America has raised prices for the third time since the end of the 1986 model year. Automotive News estimates that the three hikes average about $6,260 per model, or 17 percent, on a sales-weighted basis.

The West German mark has risen about 11 percent against the dollar since last September.

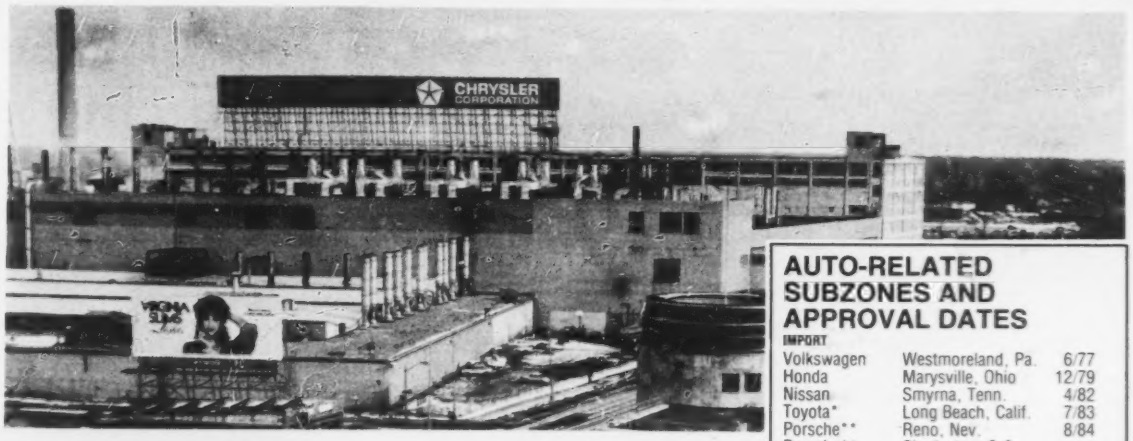
The company said the latest increase averages 3 percent on the sticker price of all models. Automotive News estimates that at $1,200.

Porsche prices went up 8.6 percent at introduction time last September and 5 percent Jan. 1. Automotive News estimates that those boosts averaged $3,300 and $1,760, respectively.

Prices of optional equipment went up an average of 2.5 percent last week.

The 924S coupe rose $915 to $23,910. The 944 coupe went up $1,065 to $27,840, and the 911 coupe jumped $1,015 to $41,440.

Increases since the end of the 1986 model year are: 924S coupe, up $4,010; 944 coupe, up $3,340; 944 Turbo coupe, up $6,500; 911 coupe, up $7,465; 911 Turbo coupe, up $9,820; 928S4 coupe, up $11,350.



SUBZONES: *Duty-free plants under political gun*

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The use of foreign trade subzones by domestic and foreign auto manufacturers to skirt tariffs on imported components is being questioned here as trade legislation hearings gear up.

In 1986, trade zones accounted for nearly $21 billion worth of goods produced, of which about 75 percent was domestic content, according to Dennis Puccinelli, an analyst with the Foreign Trade Zone Board in the U.S. Department of Commerce.

Automotive manufacturing made up nearly $16 billion of that total, using $2.7 billion worth of imported components blended with $13 billion in domestic content.

The subzones, in use at 32 auto assembly plants in the United States, allow duty-free import of components that are used in production. The imported content of the finished vehicle is assessed at the same 2.5 percent tariff rate currently used on imported cars.

The same components, if imported separately without the trade zone relief, would be subject to tariffs ranging from 3.2 percent for engines to 10 or 11 percent on some individual parts, Puccinelli said.

According to a pending subzone application by Toyota for its Kentucky plant, the subzone tax status would save the company $41 per car.

Apparently that is too much for some members of Congress. Subzones "save importers a hefty chunk of duties, which are usually tax deductible anyway," Rep. Marcy Kaptur, D-Ohio, told a trade subcommittee of the House Ways and Means Committee.

U.S. plants of foreign automakers have been among the first and last to be granted subzone status. Volkswagen was the first; its Westmoreland, Pa., plant won approval in November 1977. The most recent was Mazda's Flat Rock, Mich., plant, which obtained subzone status in April 1986.

Besides Toyota's application for its Kentucky plant, Chrysler and Mitsubishi have applied for subzone status for their Diamond-Star venture in Illinois.

Porsche, which imports cars at its Reno, Nevada, headquarters and also in Charleston, S.C., has obtained subzone status for parts warehouses and vehicle preparation facilities at both sites.

General Motors has a subzone with Toyota at New United Motor Manufacturing Inc. and two subzones for auto electronic component plants. Chrysler has three subzones for auto electronics in Indiana.

While both domestic and foreign companies use the subzones, the lion's share of imported components processed through the zones comes from Japan, according to the Motor and Equipment Manufacturers Association.

James J. Conner, MEMA executive vice president, told the trade subcommittee, "Approximately $2 billion in parts were imported from Japan in this way."

Kaptur said: "Because inaction through the MOSS (Market Oriented Sector Selective) process is showing us that Japanese auto firms are not interested in fair trade, I suggest that we bar the use of the Foreign Trade Zones by Japanese companies and, therefore, impose on their parts the duties normally associated with imported components."

The debate on the use of subzones may hinge on the original intent of foreign trade zones. Testimony from MEMA included this statement: "It appears that auto manufacturing was never intended as a major zone activity. During hearings held on the zones during 1948, the Department of Commerce went so far as to state, we 'cannot conceive of Ford wanting to establish (its) automobile factory in such a location (trade zone).' "

While the law was amended in 1952 to allow the creation of subzones at manufacturing sites, MEMA said, "Original proponents of FTZs never intended for zones to develop into a way of evading import duties."

Kaptur said that trade zones were intended to allow duty-free importation of goods to be processed into finished products for sale outside the country.

The Foreign Trade Zone Board, which oversees the program, interprets the law differently.

Puccinelli said there is no provision mandating the export of the finished product. "The act doesn't really speak to where the product must go, it talks directly to customs procedures," he said.

As a result, Puccinelli said, the board "cannot outright deny the applications" solely on the basis of where the product will be sold.

Currently, there are 133 FTZs in the United States. In addition, there are 96 subzones of those trade zones, usually located at a manufacturing site. Of the 96, 41 are automotive-related.

AUTO-RELATED SUBZONES AND APPROVAL DATES

IMPORT		
Volkswagen	Westmoreland, Pa.	6/77
Honda	Marysville, Ohio	12/79
Nissan	Smyrna, Tenn.	4/82
Toyota*	Long Beach, Calif.	7/83
Porsche**	Reno, Nev.	8/84
Porsche**	Charleston, S.C.	
Mazda Motor	Flat Rock, Mich.	4/86
DOMESTIC		
AMC	Kenosha, Wis.	8/81
Chrysler	Detroit	1/82
Ford	Wayne, Mich.	1/83
Chrysler	Belvidere, Ill.	1/93
Ford***	Lansdale, Pa.	5/83
Ford	Kansas City, Mo.	7/83
GM	Atlanta	7/83
Ford	Wixom, Mich.	9/83
Ford	Dearborn, Mich.	9/83
Jeep	Toledo, Ohio	2/84
Ford	Edison, N.J.	2/84
Ford	Hazelwood, Mo.	4/84
Chrysler	Newark, Del.	7/84
Ford****	Louisville, Ky.	7/84
Ford	Lorain, Ohio	7/84
GM	Wilmington, Del.	7/84
GM	Ypsilanti, Mich.	7/84
GM	Pontiac, Mich.	7/84
GM***	Kokomo, Ind.	7/84
GM	Oklahoma City	7/84
GM	Kansas City, Mo.	4/85
GM	Lordstown, Ohio	4/85
GM	Tarrytown, N.Y.	4/85
Chrysler	Sterling Heights, Mich.	4/85
GM	Janesville, Wis.	4/85
GM***	Oak Creek, Wis.	4/85
Ford	Atlanta	4/85
GM	Kansas City, Kan.	10/85
GM	Linden, N.J.	10/85
Ford	Chicago	1/86
Chrysler***	Indianapolis	1/86
Chrysler***	Kokomo, Ind.	1/86
Chrysler***	New Castle, Ind.	1/86
JOINT VENTURE		
NUMMI	Fremont, Calif.	10/84

All subzones are for auto assembly except:
*Truck bed assembly
**Importation facility
***Auto electronics
****Truck assembly

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61st year—No. 5170

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Mack may build Baby 8 overseas if UAW vetoes pact

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The future of Mack's 6,000 hourly workers and its sourcing plans are up in the air, as the company negotiates for UAW approval on contract concessions already approved by its union locals but vetoed by the UAW International.

Mack Chairman John Curcio said he preferred building the company's new line of "Baby" Class 8 trucks, slated for January 1988 production, at the company's Macungie, Pa., plant "with our own people." But, he added, they could be assembled in its new Winnsboro, N.C., plant or in Korea, France or Brazil just as easily.

"One way or other, we're going to get the necessary cost reductions to be competitive," Curcio emphasized.

Mack also will decide whether to continue sourcing transmissions at Hagerstown, Md., and where to source CKD (knocked-down assemblies for export) operations currently handled in Allentown. That plant will be closed this fall. No decision has been made on where to move the CKD operations. But based on tentative agreements with its Hagerstown local, Mack had planned to continue producing transmissions there.

Curcio said, "We negotiated four agreements with four UAW locals in three states, and they were ratified by over 70 percent of the people.

"They understand the need for Mack to continue getting its costs in line. They also know that, prior to the time we reached the agreements, we considered outsourcing the manufacturing of transmissions (at Hagerstown)," he said.

UAW officials, however, struck down the local agreements. Union officials said the locals violated its master contract because their negotiations did not include the International.

After meeting for several hours on Feb. 28, the two sides agreed only to set up another meeting at an undisclosed neutral site.

Curcio, declining to discuss the negotiations, refuted charges that the company is stockpiling engines and transmissions in case of a strike.

The company recently announced the recall of 109 workers at Hagerstown. Kim Blake, president of UAW Local 677 in Allentown, believes the move is a first step toward stockpiling parts to hedge against a strike.

Local union officials recently said UAW Vice President Bill Casstevens wants a strike against the truck maker when the current contract expires. Blake said that Mack officials told him privately last month they planned to stockpile parts in anticipation of a walkout. "They're going to get ready for three to six months worth of strike by having three to six months worth of components," Blake said.

Walter Meck, Mack executive vice president of finance, declined to comment on Blake's comments.

see MACK, page 55

RV shipments in December increase 15%

Wholesale shipments of recreational vehicles totaled 26,600 in December and up 15.6 percent over the year-earlier month.

The Recreation Vehicle Industry Association said calendar 1986 shipments totaled 379,500 units, up 5.7 percent from the previous year. It was the fourth consecutive year in which industry shipments exceeded 300,000 units, RVIA said.

Van conversion shipments of 12,100 in December were off 6.2 percent from a year earlier. For calendar 1986, they totaled 181,900, up 10.4 percent from 1985.

Towable RV deliveries of 9,200 were up 35.3 percent in December. For calendar 1986, they totaled 129,900, up 3.3 percent from 1985.

Motor home deliveries of 5,300 in December were up 55.9 percent from a year earlier. For calendar 1986, they totaled 67,700, off 1.5 percent from 1985.

RVIA noted that, according to its data, retail sales of travel trailers and Type A motor homes continued to strengthen in December. It attributed that in part to tax-related motives, but added that there was a definite improvement in the sales trend line last year.

Recreational Vehicle Wholesale Deliveries

	December 1986	December 1985	% change	12 months 1986	12 months 1985	% change
Travel trailers	5,300	4,100	+ 29.3	86,000	82,900	+ 3.7
Folding camping trailers	3,400	2,400	+ 41.7	36,500	35,900	+ 1.7
Truck campers	500	300	+ 66.7	7,400	6,900	+ 7.3
Towable RV total	9,200	6,800	+ 35.3	129,900	125,700	+ 3.3
Conventional (type A)	2,600	1,800	+ 44.4	33,300	33,600	− 0.9
Van Campers (type B)	700	500	+ 40.0	6,200	6,700	− 7.5
Chopped vans (all)	2,000	1,100	+ 81.8	28,200	28,400	− 0.7
Motor home total	5,300	3,400	+ 55.9	67,700	68,700	− 1.5
Van conversions	12,100	12,900	− 6.2	181,900	164,800	+10.4
TOTAL ALL RVs	26,600	23,100	+ 15.6	379,500	359,200	+ 5.7

Source: Recreational Vehicle Industry Association

TARGET: *Coachmen R&D program seeks to develop motor home to sell for less than $20,000*

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ATLANTA — Given current technology, Coachmen Industries doesn't feel it's possible to produce a quality motor home for under $20,000 without taking a lot of features out of the product.

But "a few years from now it may be," said Sydney Johnson, vice president of marketing.

That's one of the company's major objectives in the multimillion-dollar, multiyear product development program it announced recently.

From the standpoint of research and development, one of the goals Coachmen sees down the road is a melding of traditional RVs and vans to create lower-priced vehicles for the entry-level buyer.

"We see more multi-purpose vehicles, van-like in nature, but geared to the amenities and lifestyle of motor home owners," Johnson added.

Those vehicles are expected to appeal to a larger segment of the population because of their greater versatility for everyday and leisure travel.

Coachmen is still interested in expanding its van conversion operations, which are based in Elkhart, Ind., but it doesn't believe the time is right to boost production. Pointing to the intense competition from hundreds of converters, Johnson said his company would prefer to wait for an industry shakeout, particularly among smaller firms, before it undergoes a major expansion.

"It's very difficult, when you have that many competitors, to produce a quality product at a decent profit," he added. "Many converters don't even offer a warranty or dealer support programs. We don't operate that way."

Meanwhile, in its quest for first-time buyers, Coachmen is stressing value, and Johnson said he doesn't see price as the major obstacle to attracting those buyers.

"They must be able to see the product fit their lifestyle as well as their budget," he said.

However, the company is performing research and development on cost reductions that may or may not result in price reductions on its products, Johnson added.

Its R&D focus is on an entire range of products, the first of which is a new upscale aerodynamic trailer. The trailer was shown at the Recreational Vehicle Industry's annual convention and exhibition here.

Coachmen also is developing two other entry-level products: a camping trailer and a fold-down camping trailer.

Johnson said those products will be introduced during the next year or so and will feature major design, weight-reduction, performance and livability improvements.

Coachmen is the second-largest manufacturer of motor homes nationally and also builds a variety of other RV products, such as travel trailers and customized vans.

It received an order for 500 motor homes recently from a national rental company, which it called the largest single sale in its history.

The motor homes were sold to American Land Cruisers Inc., Miami. They have a total value of between $13 million and $15 million, according to a Coachmen spokesman.

The order means that about 100 more workers will be hired at the company's manufacturing plants in Indiana, Georgia, California and Texas, the spokesman said.

RVIA plans expansion of programs to boost awareness and sales

RESTON, Va. — The Recreation Vehicle Industry Association has taken a number of steps to expand RV awareness and sales.

RVIA's public relations agency, Burson-Marsteller, is launching a second year of market-expansion activities.

In addition to its print and television promotions, the agency plans to form an advertising coalition extending beyond the RV industry. The program will support RVIA's future broadcast ventures and special magazine sections with advertising buys.

Major companies such as tire manufacturers and photographic companies interested in reaching the RV market are being targeted as potential recruits for the coalition.

As part of its effort at image enhancement, the agency will involve the RV industry in highly visible charity events, sponsorship of sports and entertainment events and tie-ins with influential groups that have potential RV lifestyle connections. Such groups include the American Automobile Association, state tourism offices and the Walt Disney organization.

In its research, Burson-Marsteller is going beyond its first-time RV buyer study to identify the leisure habits and buying preferences of all Americans between 35 and 49 years of age. That group is a key target for the industry's sales expansion.

Meanwhile, the first-time-buyer seminar conducted by the agency at the Atlanta convention is going on the road to reach more dealers.

With RVIA and the Recreation Vehicle Dealers Association as cosponsors, the seminar will be held by Burson-Marsteller at manufacturer-dealer meetings, trade shows and other dealer gatherings.

The RVIA also has doubled its funding to $20,000 for promotion of National Tourism Week, scheduled for May 17-23.

RVIA's contribution puts it on a par with other supporters of National Tourism Week, such as the trade associations representing the hotel, restaurant, tour operator and travel agent segments of the travel industry.

The focal point of this year's tourism week promotion is a special travel-industry section in Time magazine's business edition that reaches about two million government and industry leaders.

The section will emphasize the importance of travel and tourism to the economy.

RVIA and the National Park Service also are sponsoring a conference entitled "Tourism and Our National Parks" April 12-14 at the Marriott Hotel in Des Moines, Iowa.

The conference is designed to meet the needs of tourism-related small businesses, especially those in the Central United States.

The purpose of the conference is to provide attendees with information about marketing, packaging and publicizing their product or service. It also will explain how to access existing travel sales networks and market travel opportunities to lesser known parks in a 10-state area.

Nearly 400 representatives from national parks, private campgrounds, RV dealerships, state travel and tourism departments, tour companies and other travel and tourism-related enterprises are expected to attend.

The RVIA also has two publications available. One is a 253-page "how-to" promotional manual that is designed for RV dealers who want to reach first-time buyers.

It also offers a "1987 Membership Directory and Industry Buyer's Guide." The latter is a 102-page book listing all segments of the $8-billion-a-year RV industry.

Eurofox conversions for export
Eurofox Inc. uses European Ford Cargo Van chassis for the van conversions it is producing in Elkhart, Ind., for the European market. The chassis are imported to Elkhart, converted and shipped back to Germany for distribution by Ford's dealer network there. The company offers customized van conversions on any American or European chassis, such as Fiat, Iveco, Mercedes-Benz, Renault and Peugeot, as well as Ford, Dodge and General Motors. It is producing three units a week.

Xplorer offers 2 new models

BROWN CITY, Mich. — Xplorer Motor Home Division of Frank Industries here has introduced two new van-chassis-based motor homes and is offering an improved warranty for 1987.

Xplorer wholesaled about 500 vehicles last year. Its van/motor home vehicles are of a type expected to become more popular with other manufacturers in their quest to expand appeal among entry-level buyers.

For the 1987 model year, Xplorer is offering its model 222 XtraVan on a Ford Super Van chassis.

It also available on a Dodge chassis.

The unit retails for $25,214 in both chassis versions.

Combining some of the features of a customized van with those of a motor home, the 222 has radial tires, a raised vista roof and sliding or reclining swiveling captain chairs. Optional are single beds on each side that convert to seats.

The 18.5-foot vehicle also has a rear double bed, marine toilet and 22-gallon holding tank.

Xplorer's XtraVan is a combination van conversion/motor home

Special equipment packages provide features like running boards with mud guards and trim, custom aluminum wheels, bay window and continental spare tire with lock.

Xplorer also has introduced a 218 Lil' Xtra. The vehicle is designed to double as a second car and a self-contained motor home.

It has three bay windows, a raised vista roof with sky windows and a paint-stripe package. The interior features three high-back swiveling captain chairs, a round table and a compact kitchen that includes refrigerator, stove and pressure water system.

It is available on Ford, Chevrolet and Dodge van chassis.

The Dodge Maxivan version retails for $22,872. The regular Dodge model retails for $21,894. The Ford Super Van version retails for $20,937. The Ford regular van version retails for $21,286. The Chevrolet version retails for $21,201.

Explorer also is offering a 5-year/50,000-mile warranty on its 300 and 400 series models. The warranty covers the engine, transmission, rear-wheel drive, front and rear suspension unit, manual/power steering, air conditioner, brakes, electrical system, seals/gaskets, plumbing and appliances.

Similar warranty protection is available as an option on its 200 series models.

Coverage includes the chassis and the conversion and is transferrable with a change in vehicle ownership.

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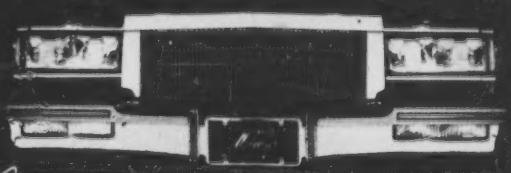

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IUE to seek change in GM profit sharing

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Leaders of the International Union of Electronic Workers have joined top UAW officials in criticizing General Motors for paying millions of dollars in executive bonuses while making no profit-sharing payouts to hourly workers.

Robert Livingston, chairman of the IUE's GM Conference Board and chief negotiator, said that improving the profit-sharing formula will be a major issue in this year's negotiations.

The IUE contract, covering 25,000 workers at eight GM component plants and one assembly plant, expires Sept. 14, as does the UAW's contract.

The IUE, which is the second-largest union representing autoworkers, also has contracts covering 3,000 Ford Motor Co. workers and 2,000 Chrysler Corp. employees. The Ford and Chrysler agreements expire in 1988.

The IUE-GM profit-sharing formula is similar to the one in the UAW-GM contract, said Edward Fire, IUE secretary-treasurer.

Both formulas are based on a percentage of U.S. profits exceeding a minimum annual return that reflects the stockholders' investment.

Fire said, "We're going to have some serious discussions with GM this summer. They sold the UAW the idea of profit sharing in 1982 in exchange for concessions. For years, GM resisted the union strenuously in terms of profit sharing. But in 1982, it was their (GM's) idea.

"They have said consistently, 'You have got to buy in.' Now, we end up with this. How do you explain to people in the plant that $170 million is available for executive bonuses but nothing is available for profit sharing?" Fire said.

DECEMBER TRUCK REGISTRATIONS

		6000 & LESS GVW GRP 1	6,001-10,000 GVW GRP 2	10,001-14,000 GVW GRP 3	14,001-16,000 GVW GRP 4	16,001-19,500 GVW GRP 5	19,501-26,000 GVW GRP 6	26,001-33,000 GVW GRP 7	33,001 & OVER GVW GRP 8	TOTAL 1986	TOTAL 1985
DODGE	MO	36,196	12,726							48,922	35,583
	YR	315,193	152,428							468,621	498,324
*DAKOTA, RAIDER, CARAVAN, RAM VAN/CHARGER, 50/WGN	MO	33,310	6,230							39,540	25,894
	YR	273,606	90,269							363,875	337,044
PLYMOUTH VOYAGER	MO	10,246								10,246	9,321
	YR	106,950								106,950	104,627
TOTAL CHRYSLER CORP.	MO	46,442	12,726							59,168	44,904
	YR	423,143	152,428							575,571	600,951
FORD	MO	64,469	37,509	6			1,717	2,518	934	107,173	111,544
	YR	812,694	483,477	10			11,971	29,939	10,897	1,349,988	1,245,805
*VAN, BRONCO, RANGER & AEROSTAR	MO	48,390	14,006							62,396	53,864
	YR	602,508	150,493							752,901	631,611
FREIGHTLINER	MO								2,267	2,267	2,257
	YR								17,393	17,393	18,708
MERCEDES-BENZ	MO						141	202		343	516
	YR						2,009	1,871		3,880	4,602
TOTAL DAIMLER-BENZ CORP.	MO						141	202	2,267	2,610	2,773
	YR						2,009	1,871	17,393	21,073	23,310
CHEVROLET	MO	49,950	34,147	2,580	61	27	475	793	25	88,058	106,710
	YR	715,302	463,554	28,418	447	300	7,089	10,207	451	1,245,766	1,256,964
*VAN, EL CAMINO, S10 BLAZER & ASTRO	MO	39,183	10,927							50,110	63,410
	YR	548,342	176,774							725,116	718,703
GMC	MO	11,350	11,956	245	18	365	446	1,337	461	26,178	28,121
	YR	161,347	139,966	2,800	237	4,711	6,561	18,267	6,988	340,877	347,577
*VAN, JIMMY, S15, CABALLERO & SAFARI	MO	8,681	3,715							12,396	14,164
	YR	119,439	46,073							165,521	164,751
TOTAL GM CORP.	MO	61,300	46,103	2,825	79	392	921	2,130	486	114,236	134,831
	YR	876,649	623,520	31,218	684	5,011	13,650	28,474	7,439	1,586,645	1,604,541
INTERNATIONAL	MO						1,805	2,020	2,999	6,824	6,777
	YR						19,942	21,861	26,719	68,522	73,463
JEEP TRUCK	MO	17,535	2,279							19,814	22,930
	YR	178,098	17,875							195,973	182,210
*WRANGLER/CJ's, CHEROKEE, WAGONEER & SCRAMBLER	MO	14,599	2,135							16,734	19,576
	YR	145,837	16,357							162,194	171,752
MACK	MO						179	229	1,783	2,191	3,089
	YR						2,284	2,354	17,191	21,829	29,514
KENWORTH	MO								1,081	1,081	1,477
	YR								10,934	10,934	11,981
PETERBILT	MO								1,116	1,116	1,238
	YR								10,176	10,176	12,305
TOTAL PACCAR CORP.	MO								2,197	2,197	2,715
	YR								21,110	21,110	24,286
AUTOCAR	MO								153	153	231
	YR								1,736	1,736	1,803
VOLVO	MO							147	89	236	375
	YR							1,383	1,053	2,436	2,580
WHITE	MO								1,016	1,016	1,358
	YR								7,747	7,747	9,197
TOTAL VOLVO WHITE CORP.	MO							147	1,258	1,405	1,964
	YR							1,383	10,536	11,919	13,560
WESTERN STAR	MO								125	125	172
	YR								1,133	1,133	1,216
MISCELLANEOUS DOMESTIC	MO		254					23	158	435	653
	YR		3,120					122	2,067	5,309	5,934
OTHER IMPORTS	MO	78,207	539	545	56	32	46	120	17	79,571	72,193
	YR	925,421	9,197	5,942	747	324	342	867	89	942,949	870,382
GRAND TOTAL	MO	267,973	99,410	3,376	135	424	4,609	7,398	12,224	395,549	404,545
	YR	3,216,005	1,289,617	37,170	1,431	5,335	50,198	86,691	114,574	4,801,021	4,675,192
1985 YR. TO DATE		3,027,796	1,326,860	36,932	896	6,117	58,874	78,868	139,049		

*—INCLUDES MULTIPURPOSE VEHICLES.
Compiled from official State Records by R.L. Polk & Co. Manufacturers' sales records are used in compiling Oklahoma for 1985 and 1986.
Registrations for Massachusetts are temporarily delayed.

Buick boosts plastics use

SOUTHFIELD, Mich. — Despite some setbacks, suppliers of engineering plastics continue to make gains in vehicle exterior body panel applications.

Buick is making a running change from steel to plastic front fenders on its 1987 LeSabre T-types. Buick was expected to begin production of plastic fenders on the car in December, but technical problems delayed the program.

The fenders are made of a General Electric resin capable of withstanding E-coat (corrosion protection) applications and the high heat of paint ovens. As a result, the fenders can be processed through the assembly plant in the same way steel panels can — a critical factor, GE said.

"This is not a major change, but a major breakthrough," GE's Herbert Hoedl, general manager of the transportation marketing and technology department, said in detailing the application.

"No changes will have to be made in the assembly process to accommodate the plastic fenders."

Buick said it is going to plastics because of the material's lighter weight, resistance to corrosion and ability to withstand minor impacts. Buick would not say whether it plans to expand use of plastic fenders to its entire LeSabre line or to other models.

In Japan, Nissan is using the same GE resin on a new sporty model, the Be-1. The 1-liter car, which is expected to be sold only in Japan, will use plastic for front fenders, front fascia and the rear end.

GE said there would be additional exterior body-panel applications for its plastics later this year. The company said it has performed engineering work on an all-plastic-body, low-volume specialty car for one automaker and is involved in the design of a plastic-paneled sedan as well.

The movement from steel to plastic for outer body panels was dealt a serious blow last year when General Motors said it was putting its GM-80 program on the back burner.

The GM-80, originally a 1990s front-drive, plastic-bodied replacement for the present Chevrolet Camaro and Pontiac Firebird models, was moved to GM's advanced engineering team with no production target date.

The GM-80 would have been the auto industry's first attempt to use plastic bodies in high-volume production.

But Hoedl said the cancellation of the car won't deter the auto industry from using plastics for future body parts.

GM-80 was scrapped primarily because of the difficulty involved in switching to front-wheel-drive, not the use of plastics, Hoedl said.

The overall cost of the GM-80 program also was a major factor. The cars would have carried a base price of $20,000, Hoedl said.

But recent advances in materials and design and manufacturing capabilities have eliminated many of the cost penalties associated with the use of plastics in the days when GM-80 was conceived, GE said.

As a result, the company remains bullish on the market for its materials.

TV

FROM PAGE 3

"Network is less expensive than spot," he said, but the price gap is narrowing.

In the spending by a factory and its dealer ad associations — a new category on the TVB report form — General Motors and its dealer ad groups led the list with $398 million in total TV buys, roughly 20 percent of total automotive TV spending.

There were few surprises in the ranking order. However, of the top 18 companies delineated by TVB, only the spending total by American Motors and its dealer ad groups declined in 1986.

For the first time, TVB reported television ad spending by brand for cars and trucks, including factory and dealer group outlays.

According to the figures released by TVB, TV spending to support Ford Division new cars led the pack, with total TV spending of $116.6 million, well ahead of second-place Chevrolet car spending at $92.8 million. The gap was wider than in 1985 because Ford car spending rose 14 percent while Chevrolet spending decreased 3 percent.

Heavy launch spending by Hyundai rocketed that make into the ranks of the big guys, with total TV spending of $433.6 million.

In addition to the top 15 makes included in the TVB report, the group said Audi TV spending was $33.2 million; Mercedes-Benz, $28.7 million; Cadillac, $26.6 million; Chrysler, $20.8 million; Plymouth, $18.6 million; and Lincoln, $9.7 million.

In the competitive truck market, Toyota spent the most in 1986, with a total of $82.7 million. Toyota passed 1985 truck leader Nissan with a 34 percent year-to-year increase, compared to a 13 percent boost for Nissan.

And once again, Ford-brand spending topped Chevrolet, although in the truck category it was for third place behind the top two Japanese imports.

Interestingly, on a combined car-and-truck brand basis, the Ford brand received television advertising support of $186.2 million last year, compared with $153.4 million for Chevrolet.

In car advertising, the disparity between the two was a difference of $21 additional network advertising for Ford, while in the truck category, Ford outspent Chevrolet by about $10 million in spot advertising, with network work expenditures very close.

Total local-market advertising by individual dealers rose 9 percent in 1986 to $339 million, from $311.1 million in 1985.

Long-time TV marketer Cal Worthington-Los Angeles led the pack. Worthington-Los Angeles' total spending declined slightly, but remained above $4 million. Cal Worthington-Seattle increased its spending 21 percent, while Cal Worthington-Sacramento boosted its budget 16 percent.

The result was that those three Worthington operations were in the top five in dealer TV spending and accounted for a total of $9.1 million in TV commercials in three West Coast markets.

Traditional big spender Potamkin Cadillac-New York whacked its TV ad budget by $1 million, or some 40 percent.

LEADING AUTOMOTIVE MANUFACTURERS ON TELEVISION

	— 1985 —			— 1986 —			
	Network	Spot TV	Total TV	Network	Spot TV	Total TV	% Change
General Motors	183,339,600	177,808,300	361,147,900	204,320,000	193,871,100	398,191,100	+ 10
Ford Motor Co.	191,373,200	76,467,200	267,840,400	183,512,400	116,164,400	299,676,800	+ 12
Chrysler Motors	96,194,300	60,921,400	157,115,700	96,450,700	64,584,100	161,034,800	+ 2
Toyota Motor Sales	27,793,200	78,793,600	106,586,800	33,104,000	126,672,800	159,776,800	+ 50
Nissan Motor Co.	34,859,600	90,792,000	125,651,600	46,266,200	91,520,900	137,787,100	+ 10
Volkswagen	34,892,300	25,397,900	60,290,200	49,418,300	36,696,500	86,114,800	+ 43
Mazda Motor Corp.	38,775,600	18,108,300	56,883,900	39,143,900	32,238,100	71,382,000	+ 25
Honda Motor Co.	32,697,300	12,095,100	44,792,400	35,706,500	34,787,200	70,493,700	+ 57
American Motors	52,690,400	18,274,100	70,964,500	50,585,200	17,946,900	68,532,100	– 3
Hyundai Corp.	0	0	0	4,077,300	39,519,600	43,596,900	Infin.
Subaru	10,523,700	20,145,900	30,669,600	14,072,000	27,905,500	41,977,500	+ 37
BMW	10,736,800	16,411,700	27,148,500	17,559,600	16,560,600	34,120,200	+ 26
Isuzu Motor Co.	5,377,600	7,349,400	12,727,000	5,931,400	23,167,100	29,098,500	+129
Mercedes-Benz	17,421,500	4,390,100	21,811,600	25,182,800	3,567,000	28,749,800	+ 32
Mitsubishi Corp.	0	15,704,400	15,704,400	3,382,700	23,862,800	27,245,500	+ 73
Volvo	435,800	10,483,000	10,918,800	3,986,800	10,805,400	14,792,200	+ 35
Suzuki	0	806,600	806,600	0	12,377,200	12,377,200	+1434
Bricklin Industries	0	14,600	14,600	7,630,500	3,353,100	10,983,600	Infin.
TOTAL	$741,665,700	$648,040,000	$1,389,705,700	$824,921,100	$909,063,800	$1,733,984,900	+ 25

NOTE: Includes passenger cars, trucks and vans, leasing of these vehicles. Non-car and non-truck advertising by these companies is excluded. Exclusions are as follows: General Motors - $28,779,500 in 1985 for parts and service, A.C. Delco, Goodyear, GMAC Financing and MAC Motors Financing and $32,424,700 in 1986; Ford Motor Co. - $302,500 for farm equipment, parts & service and Motorcraft in 1985, and in 1986, $5,838,400 in 1986 for First Nationwide Network and the preceding from 1985; Chrysler Corp. $4,200 in 1985 and $10,300 in 1986 for Gulfstream Aerospace; Toyota - $37,200 in 1985 and $199,700 in 1986 for parts and service; Nissan - $27,800 in 1985 for parts and service; Volkswagen - $94,600 in 1985 and $3,500 in 1986 for Adler and Royal products; Honda - $30,868,600 in 1985 and $31,275,700 in 1986 for terrain vehicles, garden equipment, generators, motorcycles and snow removal equipment; BMW - $813,900 in 1985 and $489,400 in 1986 for motorcycles; and Mitsubishi - $207,600 in 1985 and $15,000 in 1986 for color TV, footwear.

SOURCE: TELEVISION BUREAU OF ADVERTISING from analysis of Broadcast Advertisers Reports data.

AUTOMOBILES BY NAMEPLATE — LEADING 1986 TELEVISION ADVERTISERS

	— 1985 —			— 1986 —			
	Network	Spot TV	Total TV	Network	Spot TV	Total TV	% Change
Ford	$74,406,700	$27,537,600	$101,944,300	$75,433,400	$41,150,700	$116,584,100	+ 14
Chevrolet	57,373,300	38,406,500	95,779,800	54,172,300	38,590,800	92,763,100	– 3
Toyota	17,691,600	26,628,900	44,320,500	19,818,200	56,213,300	76,031,500	+ 72
Honda	32,697,300	12,095,100	44,792,400	35,706,500	34,787,200	70,493,700	+ 57
Pontiac	30,844,000	30,493,500	61,337,500	31,413,800	41,114,700	72,528,500	+ 18
Nissan	18,385,300	43,603,400	61,988,700	26,273,700	39,271,000	65,544,700	+ 6
Oldsmobile	20,723,400	35,966,400	56,689,800	26,222,600	37,983,200	64,205,800	+ 13
Volkswagen	26,593,100	13,808,900	40,402,000	33,812,400	19,093,600	52,906,000	+ 31
Buick	21,053,100	26,202,600	47,255,700	23,042,400	24,720,300	47,762,700	+ 1
Mercury	33,375,500	15,514,300	48,889,800	31,433,600	15,364,600	46,798,200	– 4
Hyundai	0	0	0	4,077,300	39,519,600	43,596,900	—
Dodge	24,619,400	18,519,500	43,138,900	22,536,800	20,257,800	42,796,600	– 1
Mazda	25,321,900	13,120,500	38,442,400	21,479,500	18,913,400	40,392,900	+ 5
Subaru	10,523,700	20,145,900	30,669,600	14,072,000	25,674,200	39,746,200	+ 30
BMW	10,736,800	16,411,700	27,148,500	17,559,600	16,560,600	34,120,200	+ 26

NOTE: Includes leasing. Expenditures for television commercials advertising two nameplates or vehicle types divided between the two brands.

SOURCE: Special analysis by the Television Bureau of Advertising of data compiled by Broadcast Advertisers Reports

LEADING AUTO DEALER TELEVISION ADVERTISERS IN 1986

	1985	1986	Percent Change
Cal Worthington - Los Angeles	4,153,400	4,020,000	– 3
Frontier Ford - Dallas	312,000	2,874,900	+821
Cal Worthington - Seattle	2,097,500	2,538,800	+ 21
Potamkin Cadillac - New York	2,551,500	1,522,900	– 40
Cal Worthington - Sacramento	2,172,600	2,515,600	+ 16
Wilson Ford - Los Angeles	2,123,400	2,508,200	+ 18
Celozzi-Ettleson - Chicago	2,006,800	1,635,200	– 19
Long-Lewis Ford - Birmingham	1,535,900	1,580,500	+ 3
Pete Ellis Motors - Los Angeles	1,894,300	1,550,000	– 18
Toresco Autoland - New York	46,700	1,266,100	+2611
Jeff Legum Chevy/Datsun - Baltimore	1,707,000	1,262,800	– 26
Ocean Cadillac - Miami	545,700	1,128,000	+107
Kelley Chevrolet - Miami	1,714,800	1,107,000	– 35
Subaru Ford - Sacramento	1,570,300	1,096,100	– 30
Sonoyta Subaru - Phoenix	918,900	1,089,400	+ 19
TOTAL	$311,211,700	$339,001,500	+ 9

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 76 markets.

TRUCKS, VANS, JEEPS, PICKUPS — LEADING 1986 TELEVISION ADVERTISERS

	— 1985 —			— 1986 —			
	Network	Spot TV	Total TV	Network	Spot TV	Total TV	% Change
Toyota	$10,101,600	$51,747,600	$61,849,200	$13,285,800	$69,416,900	$82,702,700	+ 34
Nissan	16,474,300	47,174,200	63,648,500	19,992,500	52,082,000	72,074,500	+ 13
Ford	41,254,400	18,514,800	59,769,200	35,260,000	34,335,100	69,595,100	+ 16
Chevrolet	32,282,900	20,176,600	52,459,500	35,870,600	24,778,500	60,649,100	+ 16
Dodge	23,420,400	17,066,100	40,486,500	19,467,100	19,421,600	38,888,700	– 4
Jeep	17,125,900	6,778,600	23,904,500	27,955,400	9,778,900	37,734,300	+ 58
Mazda	13,311,500	4,987,800	18,299,300	17,664,800	13,324,700	30,989,500	+ 69
Isuzu	2,947,200	2,815,000	5,762,200	4,870,100	12,738,800	17,608,900	+206
GMC	338,400	7,328,800	7,667,200	3,144,500	10,028,500	13,173,000	+ 72
Mitsubishi	0	7,378,000	7,378,000	3,382,700	9,435,500	12,818,200	+ 74

NOTE: Expenditures for television commercials advertising two nameplates or vehicle types divided between the two brands.

SOURCE: Special analysis by the Television Bureau of Advertising of data compiled by Broadcast Advertisers Reports

Import car sales could hit 3.4 million in 1987

By Roger Rowand

Foreign automakers are poised to take a bigger bite of the succulent U.S. car market.

Based on 1987 sales projections by the import companies compared to last year's sales, that larger mouthful will come despite the still weakening U.S. dollar.

The rise of imports will also fly in the face of the Japanese makers' agreement to restrict their imports to 2.3 million vehicles in the fiscal year starting April 1. That import total is unchanged from the number permitted into this country under the Voluntary Restraint Agreement (VRA) in fiscal year 1986.

The relationship of the dollar to foreign currencies — the exchange rate — is a critical element in the worldwide competitive picture, of course. When the dollar weakens, as it has recently against the West German mark and the Japanese yen, goods purchased overseas are theoretically less attractive to Americans who, when shopping for imports, may have to carry their money in a wheelbarrow rather than a wallet.

The value of the American buck versus the yen has plunged about 60 percent over the past two years and prices of Japanese cars have shot upward as a direct result. The dollar's value relative to the British pound has remained comparatively stable in recent months, although well below the usual of past years.

In general, this year's market conditions are similar to those of 1986. Last year there was a slight downturn in market share for imports, which was masked somewhat by a gain in unit volume.

Sales of foreign cars in this country dipped to 2,836,973 units last year from 3,237,647 in 1985, a drop of 12.38 percent.

In terms of market share, the imports took 24.77 percent of total U.S. sales of 11,452,310 units in 1986 and 29.32 percent of a total market of 11,041,513 in 1985, according to *Automotive News* data analysis.

However, the American International Automobile Dealers Association is predicting sales of at least 3,380,000 import cars in the U.S. this year — or nearly a 30-percent share of an estimated total of 11,380,000 passenger cars sold.

Many of this year's new import entries have optimistic forecasts for their first year in the competitive U.S. market.

Hyundai, whose Excel model went on sale but a year ago and immediately began setting sales-per-dealership records, has boosted its sales prediction several times. The most recent boost pushes the projection to 240,000 units this calendar year.

Last month the Korean company opened a Chicago-area sales office to serve 14 Midwest states where Hyundais had not yet been sold — a move it originally had not planned to make until early 1988.

More optimism, if more restrained, is demonstrated by purveyors of the Austin Rover Sterling. Austin Rover Cars of North America hopes to sell some 27,000 units in its first full year in the U.S. sales arena with that built-in-Britain entry.

The Range Rover is another new entry from the United Kingdom, and its importers expect to sell 2,500 in its first year then step sharply up to 5,000 in the second year and build from that base.

New from Europe, too, is the Renault Medallion. A first full-year sales forecast for that line puts the March-to-March total at 50,000 units.

Those expectations are dwarfed by those of the relative newcomer, Yugo, the Yugoslavian upstart many in the business said would fade quickly after a fast start out of the gate. The company expects to sell 70,000 units this year, up a rollicking 94.67 percent from the 34,959 cars delivered in 1986.

Volkswagen also expects a strong year with retail deliveries of about 240,000 units. That will compare with dealer deliveries of 143,318 in 1986 for a gain of 94.67 percent.

Audi deliveries, on the other hand, could fall 16.38 percent. The company said they plan to sell 50,000 units in the U.S., down from 59,797 the year before.

Alfa Romeo sales will climb substantially in terms of percentage — if not numbers of units. The gain is expected to be 21.94 percent as deliveries move to 10,000 cars from the 8,201 sold in 1986.

BMW sales are expected to move up to 100,000 units from the 96,287 sold in 1986. The importer regularly forecasts an annual 5-percent sales gain.

Jaguar importers say they anticipate a 10-percent increase in deliveries above the 24,464 units they brought in during 1986.

Mercedes-Benz importers are even more optimistic as they look in their crystal ball and see an increase in deliveries to 103,000 units from 1986's 99,314. That would indicate that a rise of 37.11 percent is coming, a healthy boost in any man's marketplace.

Ford Motor Co.'s Lincoln-Mercury Division expects plenty of action in its corner of the import sales ring. There will be a new entry wearing the Merkur badge, the Scorpio. It will join the slick two-door XR4Ti coupe. Sales of those two cars shape up this way in 1987, the division says: XR4Ti sales will move down to about 10,000 units from 14,315 in 1986, as sales of the new entry, Scorpio, will be between 6,000 and 8,100 units, Lincoln-Mercury said.

Tracer, the little Lincoln-Mercury entry-level car coming in from Mexico, is expected to account for about 40,000 sales in 1987, its first year in the U.S. The same car with the same name will be built in Taiwan for sale in Canada.

The Ford Festiva, from Korea, another entry-level offering new for 1987, is expected to ring up a sales total of between 65,000 and 75,000 units in its first year and then move to at least 85,000 for the next five years.

Peugeot sales are expected to remain close to the total of 17,000 brought into the country from France last year.

Porsche imports, too, are foreseen as remaining relatively stable at 30,000 or 31,000 units. In 1986, a total of 30,471 Porsche cars were sold in the United States.

Volvo sales this calendar year are seen climbing by an amount ranging from 1 to 9 percent, from the 113,267 units delivered in 1986.

The issue of how the Japanese "voluntary quota" of 2.3 million units will be divvied up among manufacturers was still up in the air at press time.

There was some speculation on the West Coast that the quota for new entries "will be taken out of the hide of people with large U.S. inventories."

That line of thought might mean the quotas of Isuzu and Mitsubishi might be cut by enough to allow new entries into the United States within the 2.3-million bogey.

In examining the Japanese import situation it must be remembered that Japanese car builders "are going like mad on building their own U.S. plants," in the words of one West Coast industry observer. In the years ahead that fact is going to ameliorate the impact of quotas.

Daihatsu Motor Co. is the last of the Japanese concerns to move toward North American production. That company, however, is negotiating with Bombardier Inc., a Canadian snowmobile maker, with a joint venture in the production of mini-vehicles and commercial vans in mind. ■

Import model count rises to 304

By John K. Teahen Jr.

For the first time ever, the number of imported-car models on the U.S. market has matched the number of domestic models.

The latest *Automotive News* tabulation found that there are 304 models from overseas and 304 models built in this country available to new-car shoppers.

The domestic total includes transplants — cars built in the U.S. by foreign manufacturers. There are 41 of them. If they were added to the import figure and deducted from the domestic count, the imports would have a wide edge.

The totals will change as the weeks go by. New imports, including the Mercury Tracer, Ford Festiva and Acura Legend two-door will be coming from overseas. And at least one model, the Subaru Brat, will be dropped from the car count and moved into the truck category.

The domestic marketers probably have a few spring models on tap, too. But, as of today, it's a dead heat — 304 imports and 304 domestics.

It was a different story a year ago. At that time, the domestics offered 321 selections, compared to 255 for the imports. The domestic makers are trying to stem the model proliferation; the imports apparently don't care to indulge in such activities.

There are more than twice as many import makes on the market as there are domestic lines. *Automotive News* counts 38 makes of imported cars on the U.S. scene vs. 17 domestics. Both numbers include the five transplants that have a foot in both camps — they make 'em here, and they bring 'em in from overseas. The transplants are Honda, Nissan, Renault, Toyota and Volkswagen.

The number of import models has doubled in the past 10 years. There were 152 in March 1977 and 304 today.

The 38 imported makes on the market today include only two newcomers from a year ago. Both are from Great Britain, and both are in the luxury class. They are the Sterling sedan and the Range Rover wagon.

Japan dominates the import model count just as it dominates the import sales statistics. There are 157 Japanese selections, not including the 19 Japanese cars assembled in this country by Honda, Toyota and Nissan.

West Germany is next on the list with 60 models, followed by Great Britain, 22; Sweden, 19; Italy, 19; France, 16; South Korea, 8; and Yugoslavia, 3.

Toyota leads the imports with 33 models, and Subaru is a step behind with 32. Mazda and Nissan are next with 20 apiece. The Nissan total suffers from "transplantitis." Ten Sentra models are assembled in the United States and, thus, are included in the domestic total. Toyota also has some U.S.-builts — three Corolla FX choices.

The domestic and import model totals are even, and there's not much difference in the breakout by body styles. The domestics have a few more four-door sedans; the imports have a few more two-door selections. The imports are ahead in convertibles; the domestics lead in wagons.

Here's the comparison:

	Imports	Domestics
4-door models	116	119
2-door models	134	129
Convertibles	16	13
Station wagons	38	43
TOTALS	304	304

There's only one two-door model among the 81 station wagons. That is the new Brazilian-built Volkswagen Fox.

In both the import and domestic camps, the makers often call their hatchbacks three-door or five-door models. *Automotive News* takes the traditional approach; only the side doors are counted.

In counting import models, *Automotive News* uses the same criteria as in tabulating domestic cars. A choice of transmissions (four-speed, five-speed or automatic) or a choice of engines (gasoline or diesel) does not necessarily constitute a separate model.

Vans and sport/utility vehicles are excluded from the totals for both imports and domestics.

Turbo units and four-wheel-drive cars are counted separately when they are priced that way. It is felt that they have enough differences in trim, equipment and mechanicals to merit separate-model designation.

Targa-type autos — those with removable solid roof panels — are listed as two-door models, not as convertibles.

As noted, cars that foreign-based manufacturers assemble in the United States are included in the domestic total, not the import total. ■

Imported-Car Models Offered in U.S.

	4-Door Models	2-Door Models	Convertibles	Wagons	1987 Totals	(Totals, Mar. 1, 1986)
Acura	3	2	0	0	5	(5)
Alfa Romeo	3	0	3	0	6	(4)
Aston Martin	1	2	2	0	5	(4)
Audi	5	1	0	2	8	(9)
Bentley	1	0	1	0	2	(3)
Bertone	0	1	0	0	1	(1)
BMW	10	6	1	0	17	(10)
Chevrolet Spectrum	1	1	0	0	2	(2)
Chevrolet Sprint	1	3	0	0	4	(2)
Chrysler Conquest*	0	1	0	0	1	(1)
Dodge Colt	3	2	0	0	5	(5)
Dodge Conquest	0	0	0	0	0	(1)
Ferrari	0	4	1	0	5	(5)
Honda**	0	8	0	2	10	(11)
Hyundai	5	3	0	0	8	(5)
Isuzu	2	3	0	0	5	(4)
Jaguar	2	2	1	0	5	(3)
Lamborghini	0	2	0	0	2	(2)
Lotus	0	1	0	0	1	(1)
Maserati	2	2	1	0	5	(5)
Mazda	7	12	0	1	20	(16)
Mercedes-Benz	10	2	0	1	13	(9)
Merkur (Mercury)	0	1	0	0	1	(1)
Mitsubishi	6	9	0	0	15	(12)
Nissan**	5	12	0	3	20	(24)
Peugeot	9	0	0	4	13	(7)
Plymouth Colt	3	2	0	0	5	(5)
Porsche	0	8	1	0	9	(7)
Range Rover	0	0	0	1	1	(0)
Renault**	2	0	0	1	3	(1)
Rolls-Royce	3	0	1	0	4	(5)
Saab	4	3	1	0	8	(7)
Sterling	2	0	0	0	2	(0)
Subaru	8	15	0	9	32	(26)
Toyota**	8	18	1	6	33	(28)
TVR	0	1	1	0	2	(2)
Volkswagen**	4	4	1	3	12	(8)
Volvo	6	0	0	5	11	(13)
Yugo	0	3	0	0	3	(1)
1987 TOTALS	116	134	16	38	304	
TOTALS (March 1, 1986)	101	113	10	31		(255)

*Chrysler Conquest was Plymouth Conquest in 1986.

**U.S.-built models of Honda, Nissan, Renault, Toyota and Volkswagen are omitted from the import model count. They are included in the U.S. model tabulation.

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Hyundai gets parts locator

Hyundai Motor America has added a national parts locator to its Dealer Intercon System, developed by ADP Dealer Services.

The national parts locator will allow Hyundai dealerships to locate and sell parts instantly across a city or the nation.

Bruce Campbell, group vice president-parts, service and information services for HMA, said, "The parts locator will speed up parts and servicing in our dealerships. That means the ultimate benefactor is our customer."

All 165 Hyundai Dealer Intercon on-line dealerships will have the national parts locator installed by May. As new Hyundai dealerships open, their systems will automatically include the parts locator. ■

Ford boosts Halla investment in South Korea

The South Korean government has given permission to Climate Control Division, Ford Motor Co., to increase its investment in Halla Climate Control Co. in Seoul from $3 million to $8 million.

Halla, a 50-50 joint venture between Ford and South Korea's Mando Corp., will launch production of radiators in June and air conditioners at a later date, both for export to Ford in the United States and South Korea. Mando indicated it would boost its investment in Halla by $5 million to retain its 50 percent equity. ■

Japan imports record high

The total number of registrations of imported cars in Japan in 1986 hit a record high with an increase of 36 percent over the previous year. By country, imports from all major automobile producing nations registered increases over the previous year.

	1986	1985	%
U.S.	2,345	1,816	129.1
U.K.	4,033	2,513	160.5
W. Germany	53,916	40,157	134.3
France	1,729	1,009	171.4
Italy	3,046	2,492	122.2
Sweden	3,151	2,033	155.0
Others	137	152	90.1
Total	68,357	50,172	136.2

Source: Japan Ministry of Transport

Ground broken on new Mazda computer center

A $1 million computer facility is under way in Irvine Spectrum, Calif., for Mazda Motors of America (Central) Inc.

The 5,000-square-foot center, with a 1,500-square-foot area reserved for future expansion, was designed and is being built by Computer Facilities Services Group Inc., Cypress, Calif.

It's part of a $16-million, 118,-700-square-foot Mazda Motors headquarters building that will be completed by April.

The computer room will house the IBM 3083 mainframe, and will be used by Mazda dealers in 31 states, who will be on-line to the 3083 for vehicle part and parts inventory and ordering. ■

German imports: Japan's favorites

Sales of imported cars in Japan in January rose 38.2 percent over the same month the year before to 4,170 units, marking the 37th consecutive monthly increase, according to the Japan Automobile Importers Association.

JAIA said imports from West Germany recorded the highest sales in January with 3,128 units, up 31.4 percent from 1986 for 75.0 percent of the import market.

West German cars took the top four spots on the best-sellers list, led by Mercedes-Benz with 1,031 units, up 72.4 percent from a year ago. Volkswagen followed with 914 units, up 16.3 percent; BMW with 681 units, up 3.2 percent; and Audi, with 416, up 40.1 percent.

By nations of origin, United Kingdom sold 242 units, up 44.0 percent and 5.8 percent of the market; France, 148 units, up 224.2 percent and 3.6-percent market share; Italy, 199, up 28.4 percent and a 4.8-percent share.

Other countries and the number of cars sold in January compared to the year-ago month: Sweden, 256 units, up 73.0 percent for a 6.1-percent market share; United States, 187 units, up 103.3 percent for a 4.5-percent market share; all others, 10 units, up 42.9 percent and share of 0.02 percent.

General Motors sold 140 units; Ford, 34; Chrysler, nine; and American Motors, four. ■

— Frank Gawronski

Toyota fires up Australian plant

Toyota Motor Corp. will begin building about 30,000 Camry cars and station wagons annually in Australia this spring.

Toyota's joint venture with Australian Motor Industries Ltd., is assembling Corona and Corolla cars at an annual rate of about 50,000 units. Engines for the cars are supplied by another joint venture, Toyota Manufacturing Ltd.

Toyota said it will stop making Corona cars in Australia because of shrinking sales and replace it with the 2.0-liter Camry. Camry cars and wagons eventually will be exported to other countries, including New Zealand. ■

— F.G.

Comeback is seen for China's output

The Chinese auto industry is expected to bounce back in 1987 from last year's poor showing and produce about 365,000 vehicles, an increase of 3.1 percent above last year's output.

China's Xinhua News Agency quoted the China Automobile Industry Corp. (CAIC) as saying the industry will increase light truck production 3.6 percent over last year to 136,200, while cutting back production of medium trucks about 6 percent. CAIC said Jeep and car output will be increased slightly, but did not disclose figures.

Production in 1986 dropped to 354,000 units, about 11.5 percent down from last year's 400,000.

The decrease was attributed to a surplus of imported vehicles in the country and a fuel shortage. The government has since raised tariffs more than 200 percent on some imported vehicles. ■

— F.G.

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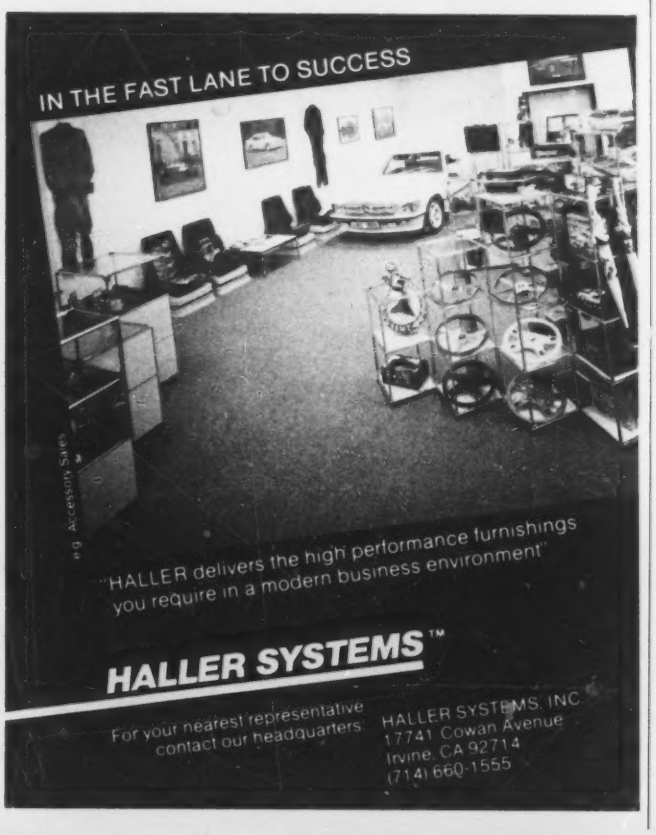
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Car output in U.S. dips 4% for 1986

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production for the 1986 calendar year dipped 4.35 percent from the 1985 total.

According to the companies' revised figures, 7,829,697 cars were assembled last year. That compares with 8,186,040 in 1985.

Five companies reported production gains over the prior year.

New United Motor Manufacturing Inc. more than tripled its production to 205,854 vs. 64,601 in 1985; Honda of America Manufacturing Inc. was up 70.75 percent to 248,159 from 145,337; Nissan Motor Manufacturing Co., U.S.A., rose 48.70 percent to 65,147 from 43,810; Ford Motor Co. climbed 7.83 percent to 1,764,316 from 1,636,150; and Chrysler Motors advanced 1.71 percent to 1,287,659 from 1,266,068.

Three manufacturers reported lower production in 1986 than in 1985.

American Motors was down 55.52 percent to 49,435 from 111,138; General Motors built 4,124,730 cars, down 14.47 percent from 4,822,478; and Volkswagen of America dipped 12.50 percent to 84,397 from 96,458.

Three nameplates topped 300,000 units in 1986 production. Chevrolet Cavalier, with 395,154, was the leader for the third consecutive year; Ford Escort was second with 378,359; and Ford Taurus was third with 335,669.

Oldsmobile 88 was fourth with 272,318, and Chevrolet Celebrity was fifth with 257,983.

U.S. CAR OUTPUT, CALENDAR YEAR 1986 VS. 1985

	1986 Calendar Year	Pct. of Output	1985 Calendar Year	Pct. of Output	Pct. of Change '86 vs. '85
AMERICAN MOTORS	49,435	0.63	111,138	1.36	−0.73
Renault Total	49,435	0.63	111,138	1.36	−0.73
Alliance	46,088	0.59	74,292	0.91	−0.32
Encore	3,347	0.04	36,846	0.45	−0.41
CHRYSLER MOTORS	1,287,659	16.45	1,266,068	15.47	+0.98
Plymouth Total	422,618	5.40	369,487	4.51	+0.88
Horizon	171,882	2.20	142,611	1.74	+0.45
Sundance	36,855	0.47	0	0.00	+0.47
Reliant	151,695	1.94	162,690	1.99	−0.05
Caravelle**	44,368	0.57	49,006	0.60	−0.03
Gran Fury	17,818	0.23	15,180	0.19	+0.04
Chrysler Total	368,637	4.71	414,193	5.06	−0.35
Laser	25,327	0.32	52,209	0.64	−0.31
LeBaron	83,163	1.06	96,339	1.18	−0.11
LeBaron J Coupe	4,043	0.05	0	0.00	+0.05
LeBaron GTS	68,699	0.88	95,187	1.16	−0.29
N.Y./E-Class	64,964	0.83	64,342	0.79	+0.04
Fifth Avenue	122,441	1.56	106,116	1.30	+0.27
Dodge Total	496,404	6.34	482,388	5.89	+0.45
Daytona	33,097	0.42	47,746	0.58	−0.16
Omni	163,416	2.09	136,823	1.67	+0.42
Shadow	35,107	0.45	0	0.00	+0.45
Aries	126,311	1.61	135,186	1.65	−0.04
Dodge 600	64,063	0.82	66,835	0.82	0.00
Lancer	47,817	0.61	65,097	0.80	−0.18
Diplomat	26,593	0.34	30,701	0.38	−0.04
FORD MOTOR	1,764,316	22.53	1,636,150	19.99	+2.55
Ford Division	1,221,956	15.61	1,098,647	13.42	+2.19
Escort	378,359	4.83	344,589	4.21	+0.62
EXP	0	0.00	3,842	0.05	−0.05
Mustang	177,737	2.27	187,776	2.29	−0.02
Tempo	198,808	2.54	188,124	2.30	+0.24
LTD	0	0.00	184,431	2.25	−2.25
Taurus	335,669	4.29	12,250	0.15	+4.14
Thunderbird	131,383	1.68	170,513	2.08	−0.40
Crown Victoria	0	0.00	7,122	0.09	−0.09
L-M Division	542,360	6.93	537,503	6.57	+0.36
Mercury Total	359,325	4.59	374,426	4.57	+0.02
Lynx	60,246	0.77	75,078	0.92	−0.15
Capri	12,344	0.16	20,095	0.25	−0.09
Topaz	57,576	0.74	54,060	0.66	+0.07
Cougar	101,829	1.30	129,788	1.59	−0.28
Marquis	0	0.00	84,862	1.04	−1.04
Sable	127,330	1.63	5,810	0.07	+1.56
Grand Marquis	0	0.00	4,733	0.06	−0.06
Lincoln Total	183,035	2.34	163,077	1.99	+0.35
Continental	19,628	0.25	25,259	0.31	−0.06
Lincoln	137,286	1.75	119,787	1.46	+0.29
Mark VII	26,121	0.33	18,031	0.22	+0.11
GENERAL MOTORS	4,124,730	52.68	4,822,478	58.89	−6.23
Buick Total	775,966	9.91	1,001,461	12.23	−2.32
Skyhawk	82,429	1.05	105,617	1.29	−0.24
Century	230,137	2.94	299,104	3.65	−0.71
Regal	60,897	0.78	137,018	1.67	−0.90
Skylark (X-Car)	0	0.00	40,953	0.50	−0.50
Somerset/Skylark	112,773	1.44	125,593	1.53	−0.09
LeSabre (fwd)	156,869	2.00	9,960	0.12	+1.88
LeSabre/Electra	15,192	0.19	96,652	1.18	−0.99
Electra	91,559	1.17	138,682	1.69	−0.52
Riviera	26,110	0.33	47,882	0.58	−0.25
Cadillac Total	319,096	4.08	322,765	3.94	+0.13
Cimarron	23,247	0.30	26,709	0.33	−0.03
Allante	53	0.00	0	0.00	0.00
Brougham (rwd)	76,469	0.98	39,773	0.49	+0.49
DeVille (fwd)	171,607	2.19	174,310	2.13	+0.06
Eldorado	25,246	0.32	53,301	0.65	−0.33
Seville	22,474	0.29	28,678	0.35	−0.06
Chevrolet Total	1,310,710	16.74	1,627,767	19.88	−3.14
Chevette	105,488	1.35	153,883	1.88	−0.53
Camaro	172,585	2.20	214,429	2.62	−0.42
Cavalier	395,154	5.05	492,004	6.01	−0.96
Celebrity	257,983	3.29	264,097	3.23	+0.07
Citation	0	0.00	28,697	0.35	−0.35
Corsica/Beretta	17,200	0.22	0	0.00	+0.22
Monte Carlo	110,048	1.41	138,532	1.69	−0.29
Chevrolet	223,842	2.86	289,821	3.54	−0.68
Corvette	28,410	0.36	46,304	0.57	−0.20
Oldsmobile Total	927,173	11.84	1,168,982	14.28	−2.44
Firenza	38,212	0.49	62,152	0.76	−0.27
Calais	120,629	1.54	149,829	1.83	−0.29
Cutlass Ciera	236,613	3.02	356,798	4.36	−1.34
Cutlass Supreme	107,036	1.37	235,496	2.88	−1.51
88 (fwd)	272,318	3.48	23,460	0.29	+3.19
88 (rwd)	19,028	0.24	168,940	2.06	−1.82
Olds 98	114,558	1.46	143,277	1.75	−0.29
Toronado	18,779	0.24	29,030	0.35	−0.11
Pontiac Total	791,785	10.11	701,503	8.57	+1.54
Acadian**	16,539	0.21	16,602	0.20	+0.01
Fiero	69,735	0.89	109,569	1.34	−0.45
1000	16,814	0.21	24,895	0.30	−0.09
Firebird	105,109	1.34	114,290	1.40	−0.05
2000 Sunbird	130,167	1.66	142,947	1.75	−0.08
Grand Am	231,318	2.95	143,259	1.75	+1.20
6000	132,385	1.69	58,952	0.72	+0.97
Bonneville	39,886	0.51	0	0.00	+0.51
Parisienne	49,832	0.64	90,989	1.11	−0.48
HONDA	248,159	3.17	145,337	1.78	+1.39
Civic	34,348	0.44	0	0.00	+0.44
Accord	213,811	2.73	145,337	1.78	+0.96
NISSAN	65,147	0.83	43,810	0.54	+0.30
NUMMI	205,854	2.63	64,601	0.79	+1.84
Corolla	14,318	0.18	0	0.00	+0.18
Nova	191,536	2.45	64,601	0.79	+1.66
VOLKSWAGEN	84,397	1.08	96,458	1.18	−0.10
Golf/GTI	83,247	1.06	96,458	1.18	−0.12
Jetta	1,150	0.01	0	0.00	+0.01
Total Cars U.S.	7,829,697	100.00	8,186,040	100.00	

January output drops in Japan

TOKYO — Japan's production of cars, trucks and buses in January slipped to 936,916 units, down 3.3 percent from last year. It was the fourth consecutive month that output trailed the year-ago total.

Production declined 5.0 percent in October, 9.6 percent in November and 3.2 percent in December. The Japan Automobile Manufacturers Association attributed the slump to declining domestic sales and exports.

Car production in January dropped to 593,241 units, down 3.9 percent from a year earlier. Truck output declined 2.3 percent to 340,428 and buses were off 1.4 percent to 3,247 units.

JAMA said cumulative output of vehicles for the period from April 1986 (the beginning of the Japanese automakers' fiscal year) through January totaled 10,093,102 units, down 1.8 percent from the same period a year earlier.

Domestic sales in January dropped 2.2 percent to 300,699 units, JAMA said.

Passive-restraint study gets $100,000 from GM

DETROIT — General Motors has given a $25,000 grant to each of four finalists in the automaker's University Design Competition on Passive Restraints for Automobiles.

The schools are Tennessee Technological Institute, Purdue, Texas Tech and Duke. In mid-April, a winner will be named and awarded $100,000.

AUCTION DATES

American Motors

March 10 — Statesville Auto Auction, Statesville, N.C.

March 11 — Kansas City Auto Auction, Kansas City, Mo.

March 12 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

March 10 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; Nu-CarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

March 11 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

March 12 — Fredericksburg Auto Auction, Fredericksburg, Va.

March 13 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

March 11 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; Columbus Fair Auto Auction, Obetz, Ohio; Salt Lake Auto Auction, Salt Lake City; and Southern California Auto Auction, Fontana, Calif.

March 12 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

March 18 — Lakeland Auto Auction, Lakeland, Fla., and Golden Gate Auto Auction, Fremont, Calif.

March 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

March 20 — Interstate Auto Auction, Mercer, Pa.

March 24 — South Seattle Auto Auction, Kent, Wash.

March 25 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

March 26 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

March 31 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

General Motors

March 10 — Denver Auto Auction, Englewood, Colo.

March 11 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Kansas City, Mo.; Golden Gate Auto Auction, Fremont, Calif.; and Northstar Auto Auction, Shakopee, Minn.

March 12 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Florida Auto Auction of Orlando, Orlando, Fla.

March 17 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

March 18 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

March 19 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

March 24 — Harrisonburg Auto Auction, Harrisonburg, Va.

March 25 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

March 26 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

March 31 — Dallas Auto Auction, Dallas, and 166 Auto Auction, Springfield, Mo.

Used Car Sales
Auction Averages

March to date	$5,703
Month ago	$5,587
Year ago	$4,821

Model Breakdown
Auction Averages

	MAR 1987	FEB 1987	JAN 1987
1987	$13,991	$13,406	$13,158
1986	$9,818	$10,038	$11,481
1985	$7,299	$7,382	$7,054
1984	$5,877	$5,940	$5,811
1983	$4,808	$4,843	$4,995
1982	$3,636	$3,628	$3,599
1981	$2,530	$2,537	$2,614
1980	$2,154	$2,167	$1,997
Overall Average	$5,703	$5,711	$5,129

GE Credit purchases four auto auctions

BARRINGTON, Ill. — GE Credit Auto Auctions has purchased four additional auto auctions: Greater Chicago Auto Auction, Alsip, Ill.; St. Louis Auto Auction, Bridgeton, Mo.; Los Angeles Dealer Auto Auction, Rosemead, Calif.; and Southern California Auto Auction, Fontana, Calif.

GE Credit also operates: South Seattle Auto Auction, Kent, Wash.; Bay Cities Auto Auction, Hayward, Calif.; Denver Auto Auction, Englewood, Colo.; and Harrisonburg Auto Auction, Harrisonburg, Va.

Moonroof for Chrysler LeBaron J-coupe
Sky-Top Sunroofs Ltd., St. Louis, announces the availability of a power moonroof to fit the 1987 Chrysler LeBaron J-coupe. The sliding glass panel is electrically operated.

Michelin to produce tires in Korea with local firm

By Oles Gadacz
SPECIAL CORRESPONDENT

SEOUL, South Korea — France's Michelin has become the first foreign tiremaker to invest in a Korean operation.

The company has entered into a 50-50 joint venture with Wuongpoong, the country's third largest tiremaker.

The announcement follows the failure of Wuongpoong and Goodyear to reach an agreement for a joint venture after more than a year of negotiations.

Discussions are under way for the newly formed Michelin Korea Tire Co. to supply tires to Daewoo Motor Co. and Hyundai Motor Co. Michelin Korea also is looking to Japanese manufacturers for original-equipment business.

The new company will make Michelin brand radial tires at a plant in Yangsan, about 300 miles southwest of Seoul. Plans call for the production of 1.7 million tires this year. By 1990, manufacturing capacity is scheduled to reach 5.3 million car tires and 250,000 truck and bus tires.

By that time, Michelin Korea expects to be exporting $100 million worth of tires throughout the world.

The domestic sales target for 1990 is just over $23 million.

Among Michelin Korea's competitors are Kumho, which manufacturers under license from Uniroyal and supplies Daewoo; and Hankook, which has links with Yokohama and supplies Kia Motors.

The Franco-Korean venture was established with initial capital of $35.3 million, which will be increased $76 million by next year, according to Wuongpoong.

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DOMESTIC CAR SALES

	Feb. 21, to Feb. 28, 1987	Same Period, 1986	Feb. 1987	Same Month, 1986	Jan. 1 to Feb. 28, 1987	Same Period, 1986
Alliance	0	0	2,177	4,617	4,240	8,874
Encore	0	0	0	1,233	0	2,443
Total Renault	0	0	2,177	5,850	4,240	11,317
Eagle	0	0	324	622	682	1,544
Total AMC	0	0	324	622	682	1,544
AMERICAN MOTORS	926	2,672	2,501	6,472	4,922	12,861
Horizon	2,582	2,426	7,103	6,673	13,185	12,781
Sundance	1,859	0	5,007	0	9,301	0
Turismo	960	1,238	2,432	3,615	3,637	6,933
Reliant	3,812	4,024	9,288	11,686	15,203	26,037
Caravelle	1,426	1,102	3,169	2,835	4,871	5,226
Plymouth	146	335	333	1,218	765	2,129
Total Plymouth	10,785	9,125	27,332	26,027	46,962	53,106
Laser	339	430	888	1,364	1,416	3,568
LeBaron K	1,691	2,871	4,199	8,519	7,006	15,913
LeBaron J	1,137	0	2,923	0	4,454	0
LeBaron GTS	1,341	2,287	3,343	5,921	5,369	10,457
Fifth Avenue	1,018	1,741	2,513	5,523	5,389	10,678
New Yorker	1,808	1,063	4,812	3,270	6,850	7,228
Total Chrysler	7,334	8,392	18,678	24,597	30,484	47,844
Omni	2,376	2,039	6,055	6,041	11,129	11,283
Shadow	2,096	0	5,514	0	9,615	0
Charger	1,179	1,369	2,759	3,864	4,123	7,413
Daytona	887	618	2,157	1,821	3,045	4,522
Aries	3,579	2,702	9,112	8,479	14,900	16,687
Lancer	1,015	1,543	3,020	4,063	5,020	6,996
Diplomat	245	491	671	1,692	1,526	3,381
Dodge 600	1,138	1,247	3,210	3,738	5,157	7,285
Total Dodge	12,515	10,009	32,498	29,698	54,515	57,567
CHRYSLER MOTORS	30,634	27,526	78,508	80,322	131,961	158,517
EXP	0	0	0	0	0	0
Escort	9,878	7,650	30,282	29,466	46,259	59,611
Mustang	6,286	3,315	18,657	11,320	28,423	22,709
Tempo	7,482	5,719	22,518	22,774	36,644	47,333
Taurus	8,356	3,542	23,707	10,366	46,465	18,569
Thunderbird	3,135	3,152	9,343	12,719	16,314	25,884
LTD	0	1,027	0	3,987	0	9,153
Crown Victoria	2,743	2,626	8,412	8,705	14,667	17,681
Total Ford Division	37,880	27,022	112,919	99,337	188,772	200,940
Lynx	1,400	1,305	4,549	5,560	7,151	11,664
Topaz	2,039	1,281	6,537	5,652	10,411	11,267
Sable	2,505	1,691	7,348	4,966	12,610	8,420
Cougar	2,451	2,183	7,311	10,137	12,328	20,434
Capri	0	263	0	396	0	1,787
Marquis	0	484	2,510	1,780	2,510	4,082
Grand Marquis	2,756	2,133	6,210	7,232	12,136	14,832
Total Mercury	11,151	9,340	34,465	36,223	57,146	72,486
Continental	372	400	1,194	1,406	2,151	2,863
Lincoln	1,554	2,594	7,067	8,550	14,220	17,247
Mark VII	454	398	1,386	1,382	3,012	2,742
Total Lincoln	2,380	3,392	9,647	11,338	19,383	22,852
Total L-M Division	13,531	12,732	44,112	47,561	76,529	95,338
FORD MOTOR COMPANY	51,411	39,754	157,031	146,898	265,301	296,278
Skyhawk	796	1,837	2,264	4,227	4,609	8,306
Skylark	0	0	0	0	0	0
Somerset Regal	2,029	3,047	5,677	10,465	10,149	21,952
Century	4,182	6,623	10,837	20,325	21,253	41,198
Regal	1,378	2,988	3,627	8,810	6,515	15,589
LeSabre	3,514	2,096	10,085	5,222	19,415	9,801
Electra	1,968	4,650	5,663	10,427	10,850	21,321
Riviera	766	436	2,223	1,240	5,047	2,706
Total Buick	14,633	21,677	40,376	60,716	77,838	120,873
Cimarron	297	484	858	1,338	1,778	2,722
Allante	59	0	59	0	59	0
Seville	728	343	2,067	1,001	5,020	2,249
Cadillac	4,837	5,665	15,284	20,081	27,756	38,405
Eldorado	359	473	1,110	1,531	3,622	3,360
Total Cadillac	6,280	6,965	19,378	23,951	38,235	46,736
Chevette	988	1,846	3,392	4,650	9,270	10,275
Nova	2,467	2,903	6,742	13,333	12,220	27,371
Cavalier	13,385	8,615	37,490	35,459	59,749	74,231
Citation	0	61	0	189	0	412
Camaro	4,461	3,833	11,956	10,468	19,061	20,350
Celebrity	9,800	8,543	28,102	31,629	49,765	68,103
Corsica/Beretta	1,075	0	2,962	0	3,668	0
Monte Carlo	1,487	2,299	3,945	6,805	8,144	13,696
Chevrolet	5,257	5,548	13,271	16,713	24,750	32,115
Corvette	636	735	1,787	1,879	3,346	3,856
Total Chevrolet	39,556	34,383	109,647	121,125	189,973	250,411
Firenza	311	737	918	2,287	2,344	4,964
Calais	2,810	2,833	8,039	7,839	14,531	15,474
Cutlass Ciera	6,832	6,457	18,761	28,690	36,837	60,324
Cutlass Supreme	3,400	4,496	9,989	20,333	16,758	42,999
Olds 88	4,672	3,968	12,986	12,083	23,824	23,665
Olds 98	1,534	4,205	4,537	13,697	9,229	26,465
Toronado	539	297	1,319	1,019	2,529	2,242
Total Oldsmobile	20,098	22,993	56,549	85,948	106,052	176,133
Fiero	1,323	1,423	3,916	5,181	6,719	11,304
1000	247	440	937	1,281	1,847	3,330
Sunbird	2,271	2,096	7,077	8,398	12,896	19,846
Firebird	1,874	1,863	5,664	5,283	9,452	12,618
Grand Am	4,096	4,228	15,658	12,984	31,496	28,528
6000	2,433	3,629	9,058	12,129	19,054	29,011
Bonn./Gr. Prix	507	957	1,817	4,161	3,143	8,848
Grand Prix	0	974	0	3,841	0	8,549
Parisienne/Bonn.	2,280	2,270	7,879	6,589	13,756	11,753
Total Pontiac	15,021	17,880	52,006	59,847	98,365	133,787
GENERAL MOTORS	95,588	103,898	277,956	351,587	510,463	727,940
VOLKSWAGEN	1,572	2,735	3,808	5,873	6,627	12,194
HONDA	14,104	7,191	27,851	14,637	47,749	27,900
NISSAN	3,501	2,578	7,200	6,643	13,769	12,846
TOYOTA	1,082	0	2,098	0	3,839	0
DOMESTIC TOTAL	198,818	186,354	556,953	612,632	984,631	1,248,536
IMPORT TOTAL			220,162	219,433	416,103	456,446
INDUSTRY TOTAL			777,115	832,065	1,400,734	1,704,982

SALES

Late sales rally isn't enough

Domestics decline, imports steady in February

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of new cars built in the United States climbed in the final sales period of February. But the gain of 6.69 percent wasn't beefy enough to offset earlier slow sales, and the month ended with sales 6.60 percent below those of a year earlier.

The falloff came in spite of incentives flamboyantly proclaimed in attempts to lure more buyers into showrooms.

Deliveries of domestic cars in the month totaled 556,953, compared with 612,632 in February 1986.

Sales of imported cars in the month were virtually unchanged at 220,162 units, compared with 219,433 units a year earlier.

The imports claimed 28.33 percent of total U.S. sales of 777,115 new cars, compared with 26.37 percent of 832,065 in February 1986.

A decline in the daily selling rate for U.S.-built cars that began in the middle of the month continued.

Where the market was February 1987

	Total Sales	Pct. of Total
SUBCOMPACT	122,769	15.80%
COMPACT	138,960	17.88%
INTERMEDIATE	189,168	24.34%
STANDARD	59,847	7.70%
LUXURY	46,209	5.95%
IMPORT	220,162	28.33%
TOTAL	777,115	100.00%

The rate eased to 20,402 cars a day from 20,889 in mid-month. However, at an average of 20,853 for all of February, it was well above the daily average selling rate in January of 16,202.

In February 1986, the daily selling rate was 25,526 cars per day.

In an otherwise undistinguished month in terms of sales, Honda dealers delivered 90.28 percent more Ohio-built cars than they did in February 1986.

A gain of 6.90 percent was reported by Ford Motor Co. domestics and one of 5.22 percent by Nissan for its U.S.-built cars.

A drop of 61.36 percent was noted by American Motors while Volkswagen dealers sold 35.16 percent fewer U.S.-built cars.

General Motors dealerships delivered 20.94 fewer domestic cars and those of Chrysler 2.26 percent fewer.

In the month's final period, AMC rang up a decline of 65.34 percent, Volkswagen 42.52 percent and GM 7.10 percent.

Honda sales climbed 96.13 percent. Chrysler's were up 11.29 percent. Nissan dealers' climbed 35.80 percent and Ford dealers 29.32 percent. Figures are for U.S.-built cars only.

Toyota, the eighth U.S. maker and in its first year as a builder of cars in this country, sold 2,098 California-built cars in the month.

There were seven selling days in the Feb. 21-28 period this year and last. There were 24 selling days in February in both years.

Dispatches from the market-share front at the close of February indicated a state of flux with gains and losses spread across the board.

Ford's share of the total market increased to 20.21 percent from 17.65 percent in February 1986. Chrysler's increased to 10.10 percent from 9.65 percent, while Honda's share grew to 3.58 percent from 1.76 percent. Nissan's share rose to 0.94 percent from 0.83.

GM's piece of the industry sales pie was reduced in the month to 35.77 percent from 42.25 percent a year earlier.

AMC's market share was 0.34 percent, down from 0.78 percent. VW's was 0.49 percent, off from the 0.71 percent of a year before.

Toyota took a 0.24 percent slice of industry sales in the U.S. with its U.S.-built cars during the month.

Imports took a 28.33 percent market share in February this year and 26.37 percent a year before.

There was a similar degree of shifting in shares of the February domestic car market as well, according to Automotive News analysis.

GM's share of sales of cars made in this country dipped to 49.91 percent from 57.39 a year before. AMC's share fell to 0.46 percent from 1.06 percent. VW's dipped to 0.68 percent from 0.96 percent.

Ford's share of the domestic market this February was 28.19 percent, up from 23.98 percent a year earlier. Chrysler's rose to 14.10 percent from 13.10 percent while Honda's rose to 5.00 percent from 2.39 percent. Nissan posted a rise to 1.29 percent from 1.12 percent and Toyota's share of domestic sales was 0.37 percent.

Claude N. Moore, vice president in charge of the GM Customer Sales and Service Staff, had an upbeat comment on the month's results.

"GM sales in February began their recovery from the low point reached in January," he said. "We expect the improvement to continue in coming months.

"Economic factors, including positive consumer attitudes about buying a new vehicle, remain favorable," he said.

Moore described customers in the current market as being "very value conscious."

Ford Motors' Louis E. Lataif, vice president sales operations, North American Automotive Operations, said the market in February was weaker than he had expected it would be.

U.S. CAR SALES BY MARKETING UNITS

	Feb., 1987	Feb., 1986	2 Mos., 1987	2 Mos., 1986
Chevrolet	118,462	131,323	208,716	270,590
Ford	112,919	99,337	188,772	200,940
Oldsmobile	56,549	85,948	106,052	176,133
Toyota	36,811	40,012	67,857	85,297
Pontiac	52,006	59,847	98,365	133,787
Buick	40,376	60,716	77,838	120,873
American Honda	56,704	48,443	102,751	98,724
Nissan	48,861	37,554	91,397	80,894
Dodge	37,118	35,547	63,429	69,581
Mercury	34,951	37,511	58,042	74,849
Plymouth	31,407	31,409	54,862	64,194
Chrysler	19,673	24,597	32,063	47,844
VWoA	14,129	20,805	24,594	42,744
Hyundai	18,656	588	36,662	588
Cadillac	19,378	23,951	38,235	46,736
Mazda	10,049	19,448	21,092	38,441
Subaru	12,347	14,664	21,081	31,171
Lincoln	9,647	11,338	19,383	22,852
Volvo	9,043	9,043	21,662	21,123
BMW	6,560	6,502	11,573	12,546
Mercedes	8,088	7,459	14,174	15,067
AMC-Renault	2,501	6,779	4,922	13,518
Saab	3,265	3,231	6,946	6,448
Mitsubishi	5,314	4,758	7,640	8,848
Yugo	5,059	1,736	9,233	4,559
Porsche	1,815	2,129	3,469	3,862
Jaguar	1,466	1,673	2,523	2,684
Isuzu	1,622	4,129	3,572	7,013
Peugeot	639	1,154	1,558	2,113
Alfa Romeo	597	297	1,108	701
Maserati	60	137	120	262
Sterling	1,043	—	1,043	—
TOTAL	777,115	832,065	1,400,734	1,704,982

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Feb., 1987	Feb., 1986	2 Mos., 1987	2 Mos., 1986
Acura	7,056	—	12,723	—
Alfa Romeo	597	297	1,108	701
Audi	1,972	4,664	4,044	9,777
BMW	6,560	6,502	11,573	12,546
Chevrolet Spectrum	5,205	5,104	11,261	9,867
Chevrolet Sprint	3,610	5,094	7,482	10,312
Chrysler Conquest	995	—	1,579	—
Dodge Colt	2,838	4,017	5,650	8,299
Dodge Conquest/Vista	1,237	1,365	2,250	2,789
Honda	21,797	33,806	42,279	70,824
Hyundai	18,656	588	36,662	588
Isuzu	1,622	4,129	3,572	7,013
Jaguar	1,466	1,673	2,523	2,684
Maserati Biturbo	60	137	120	262
Mazda	10,049	19,448	21,092	38,441
Mercedes-Benz	8,088	7,459	14,174	15,067
Merkur	481	1,288	896	2,363
Mitsubishi	5,314	4,758	7,640	8,848
Nissan	41,667	30,711	77,628	68,048
Peugeot	639	1,154	1,558	2,113
Plymouth Colt	2,838	4,309	6,188	8,996
Plymouth Conquest/Vista	1,639	1,540	2,726	3,018
Porsche	1,815	2,129	3,469	3,862
Renault	0	307	0	657
Saab	3,265	3,231	6,946	6,448
Sterling	1,043	—	1,043	—
Subaru	12,347	14,664	21,081	31,171
Toyota	34,713	40,012	64,018	85,297
Volkswagen	8,349	10,268	13,923	20,773
Volvo	9,043	9,043	21,662	21,123
Yugo	5,059	1,736	9,233	4,559
TOTAL	220,162	219,433	416,103	456,446

PRODUCTION

U.S. CAR	Week Ended March 7, 1987	Week Ended March 8, 1986	Week Ended Feb. 28, 1987	Feb. Total	Jan. 1 to March 8, 1986	Jan. 1 to March 7, 1987
AMERICAN MOTORS	800	1,630	770	2,978	8,881	6,894
Renault Total	800	1,630	770	2,978	8,881	6,894
Alliance	800	1,440	770	2,978	7,850	6,894
Encore	0	190	0	0	1,031	0
CHRYSLER MOTORS	23,000	31,329	28,142	110,552	283,560	235,134
Plymouth Total	8,500	8,402	10,895	43,004	76,326	90,490
Horizon	3,000	3,026	3,587	15,236	28,929	33,310
Sundance	2,000	0	2,534	9,585	0	20,323
Reliant	2,700	3,535	3,098	12,255	35,228	25,077
Caravelle	1,200	1,391	1,672	5,924	11,871	11,776
Gran Fury	0	450	4	4	2,296	4
Chrysler Total	6,200	10,877	7,204	26,748	103,859	54,847
Laser	0	1,089	0	0	9,909	0
LeBaron K	1,800	2,193	2,001	8,149	25,130	16,234
LeBaron J	1,800	0	1,810	7,146	0	14,962
LeBaron GTS	700	2,549	995	3,890	22,599	7,465
New Yorker/E-Class	1,400	1,806	1,883	7,048	14,502	15,171
Fifth Avenue	500	3,238	515	515	31,710	1,015
Dodge Total	7,900	12,050	10,043	40,800	101,395	89,797
Daytona	800	1,022	899	3,600	9,380	7,430
Omni	2,200	3,170	2,943	12,929	29,581	26,174
Shadow	1,700	0	2,259	8,732	0	18,419
Aries	2,000	3,067	2,310	9,399	24,724	21,120
Dodge 600	800	2,027	1,059	3,980	15,604	9,457
Lancer	400	1,957	559	2,156	17,385	5,193
Diplomat	0	807	4	4	4,721	4
FORD MOTOR	43,864	40,823	44,293	175,351	336,606	388,232
Ford Division	31,208	28,222	30,242	119,881	228,921	266,145
Escort	8,362	8,980	7,415	30,550	70,449	68,470
Mustang	5,260	4,419	4,595	18,800	38,716	42,241
Tempo	4,535	4,915	3,999	16,400	40,515	37,321
Taurus	9,658	6,235	10,387	41,663	38,998	91,539
Thunderbird	3,393	3,693	3,846	12,468	34,243	26,574
L-M Division	12,446	12,601	14,051	55,470	107,687	122,087
Mercury Total	8,369	8,337	9,962	41,195	71,587	88,040
Lynx	1,112	1,333	1,449	6,056	13,471	12,130
Capri	0	194	0	0	3,399	0
Topaz	963	1,393	1,254	5,232	13,184	11,597
Cougar	3,349	2,473	4,056	16,950	22,623	36,326
Sable	2,945	2,944	3,201	12,957	18,910	27,987
Lincoln Total	4,077	4,284	4,089	14,275	36,100	34,047
Continental	407	475	410	1,425	4,152	3,409
Lincoln	3,059	3,199	3,067	10,703	27,084	25,533
Mark VII	611	590	612	2,147	4,864	5,105
GENERAL MOTORS	91,113	97,989	85,107	345,410	912,800	736,361
Buick Total	13,492	14,718	13,720	54,393	143,643	123,311
Skyhawk	908	1,723	849	4,025	17,056	9,027
Century	4,543	4,825	4,397	17,805	47,253	38,748
Regal	855	1,418	1,276	4,376	7,978	8,904
Somerset/Skylark	2,045	1,798	1,671	6,135	18,309	17,077
LeSabre (fwd)	1,935	2,709	2,278	9,170	18,374	19,581
LeSabre/Electra (rwd)	290	364	231	1,427	2,405	4,302
Electra (fwd)	2,381	1,480	2,585	10,086	28,413	20,305
Riviera	535	400	443	1,569	3,855	5,290
Cadillac Total	8,690	6,540	7,947	29,144	58,021	66,210
Cimarron	425	693	360	1,576	4,416	4,164
Allante	45	0	47	204	0	416
Brougham (rwd)	2,772	1,993	2,705	8,721	14,783	18,030
DeVille (fwd)	4,000	3,142	3,985	15,716	32,006	33,649
Eldorado	405	427	406	1,333	4,006	3,526
Seville	443	294	424	1,594	2,930	6,425
Chevrolet Total	35,837	31,988	30,550	127,553	305,397	287,779
Chevette	0	2,913	0	0	23,718	0
Camaro	3,090	4,962	1,061	9,604	46,773	18,834
Cavalier	8,500	8,919	8,272	32,353	86,240	66,405
Celebrity	8,665	7,641	8,250	32,550	60,088	73,747
Corsica/Beretta	7,535	0	5,390	21,995	0	48,383
Monte Carlo	2,074	2,710	1,245	6,282	23,984	12,043
Chevrolet	5,333	4,054	5,702	22,213	58,579	40,575
Corvette	640	789	630	2,576	4,015	5,801
Oldsmobile Total	17,567	24,633	18,088	66,447	233,857	142,956
Firenza	310	1,193	284	1,786	10,025	4,433
Calais	2,755	3,302	2,834	10,432	30,231	23,484
Cutlass Ciera	3,574	5,098	4,926	19,295	61,902	36,826
Cutlass Supreme	2,423	4,236	1,619	5,453	42,934	8,585
88 (fwd)	5,363	7,603	5,505	20,486	53,199	42,902
88 (rwd)	404	350	427	1,638	4,987	3,744
Olds 98	2,311	2,564	2,156	8,230	27,834	17,105
Toronado	427	287	317	1,125	2,745	3,878
Pontiac Total	16,127	20,101	14,822	65,873	171,882	138,105
Acadian*	0	547	0	0	2,670	0
Fiero	1,200	3,343	1,004	3,803	16,225	6,498
1000	0	966	0	0	7,323	0
Firebird	2,360	2,646	1,098	8,671	25,551	15,708
2000 Sunbird	2,964	3,174	2,770	10,756	27,890	22,206
Grand Am	3,921	4,564	4,958	22,394	42,154	47,320
6000	2,222	3,235	1,643	6,402	31,284	15,555
Bonneville	3,150	0	3,198	12,590	0	28,600
Safari/Parisienne	310	1,624	181	1,257	18,785	2,218
HONDA	7,315	3,506	6,707	27,833	34,905	63,499
Civic	1,845	0	1,998	10,331	0	24,970
Accord	5,470	3,506	4,709	17,502	34,905	38,529
NISSAN	2,920	1,783	2,945	11,570	17,815	26,212
NUMMI	4,000	3,250	4,000	16,484	24,480	36,620
Corolla	750	0	800	3,233	0	7,427
Nova	3,250	3,250	3,200	13,251	24,480	29,193
VOLKSWAGEN	2,000	2,006	2,001	6,017	16,377	13,945
Golf/GTI	1,750	2,006	1,751	5,267	16,377	12,195
Jetta	250	0	250	750	0	1,750
Total Cars, U.S.	174,902	182,516	173,985	696,195	1,635,446	1,508,897
Total Cars, Canada	17,820	24,214	17,012	79,181	201,618	171,579
N. American Cars	192,622	206,730	190,977	775,376	1,837,064	1,680,476
N. American Trucks	98,286	93,763	97,215	389,239	853,667	849,277
North American Cars and Trucks	290,908	300,493	288,192	1,164,615	2,690,731	2,529,753

*—All Acadians are built for sale in Canada.

February auto output trails 1986 total

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers built 696,195 car during February, 8.91 percent more than January's 639,223 but 0.93 percent below the year-ago months 702,698.

Last week's targeted production of 174,802 was 0.48 percent more than the previous week's 173,965 but was 4.23 percent below the year-ago week's 182,516.

So far this year, 1,508,897 cars have been assembled, 7.74 percent less than the 1,635,446 completed last year at this point.

Companies split last week's scheduled output as follows: General Motors, 52.13 percent; Ford Motor Co., 24.97 percent; Chrysler Motors, 13.16 percent; Honda of America Manufacturing Inc., 4.18 percent; New United Motor Manufacturing Inc., 2.29 percent; Nissan Motor Manufacturing Co., U.S.A., 1.67 percent; Volkswagen of America, 1.14 percent; and American Motors, 0.46 percent.

GM will lay off 3,500 workers today (March 9) at its Lansing, Mich., plant for inventory adjustment. They are scheduled to return March 23. Two car lines will be affected, Buick Somerset/Skylark and Oldsmobile Calais. The plant will continue to assemble the Pontiac Grand Am.

GM's Detroit-Hamtramck plant is down this week for inventory adjustment, affecting 2,000 workers. The plant is expected to resume output March 16.

GM's Norwood, Ohio, plant is idle this week because of a material shortage. The shutdown idles 3,500 workers. The plant is expected to resume output March 23.

Chrysler's Belvidere, Ill., plant goes down today (March 9) for an 18-week model changeover. A total of 2,800 workers will be on temporary layoff during that period.

When the Belvidere plant resumes output, it will produce the full-sized Chrysler New Yorker and the new Dodge Dynasty four-door sedans instead of the Omni/Horizon models which were previously assembled there.

Saturday (March 7) overtime was slated for GM's Linden, N.J., plant.

Ford scheduled Saturday overtime at its Dearborn, Mich., plant.

Daily overtime is scheduled for all Ford plants this week.

Chrysler had no Saturday overtime scheduled, however its Newark, Del., and Sterling Heights, Mich., plants are slated for daily overtime this week.

Truck production sets record

Truck production in February was an all-time high for that month. Output of 321,017 trucks topped the previous February record of 308,358 in 1979.

Last month's build was 2.98 percent higher than January's 311,736 and 8.65 percent higher than the year-ago month's 295,452.

Last week's scheduled output of 80,063 trucks was 0.63 percent more than the previous week's 79,560 and 7.61 percent more than the year-ago week's 74,403.

Year-to-date, 700,561 trucks have been built, 3.63 percent more than the 676,025 completed last year at this time.

General Motors slated Saturday (March 7) overtime at its Baltimore, and Pontiac, Mich., plants.

Ford Motor Co. scheduled Saturday overtime at three plants: Wayne, Mich.; Kansas City, Mo.; and St. Louis.

All Ford plants are slated for daily overtime this week (March 9).

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

Week's output climbs in Canada

Auto production in Canada totaled 79,181 units in February, 6.14 percent more than January's 74,603 but 10.80 percent below the year-ago month's 88,772.

Last week, automakers targeted production at 17,820 cars, 4.75 percent more than the previous week's 17,012, but 26.14 percent below the year-ago week's 24,214.

So far this year, 171,579 cars have been assembled, 14.98 percent below the 201,618 built last year at this point.

Truckmakers produced 68,222 units during February, 9.55 percent more than January's 62,277, but 10.33 percent below last February's 76,081.

Truck production totaled 18,223 units last week. It was 3.22 percent more than the previous week's 17,655, but 5.87 percent below the year-ago week's 19,360.

Year-to-date, 148,716 trucks have been built, 16.28 percent below the 177,642 assembled last year at this time.

CANADIAN CAR	Week Ended March 7, 1987	Week Ended March 8, 1986	Week Ended Feb. 28, 1987	Feb. Total	Jan. 1 to March 8, 1986	Jan. 1 to March 7, 1987
AMERICAN MOTORS	150	48	160	621	1,290	1,376
FORD MOTOR	11,645	10,700	11,044	44,806	105,440	100,475
GENERAL MOTORS	5,600	13,242	5,406	32,316	92,848	66,563
HONDA	200	0	177	561	0	1,140
VOLVO	225	224	225	877	2,042	2,025
Total Cars, Canada	17,820	24,214	17,012	79,181	201,618	171,579
U.S. TRUCK☆	Week Ended March 7, 1987	Week Ended March 8, 1986	Week Ended Feb. 28, 1987	Feb. Total	Jan. 1 to March 8, 1986	Jan. 1 to March 7, 1987
CHEVROLET	23,283	25,596	22,277	95,893	235,473	202,186
DODGE	5,000	0	5,221	21,177	0	44,062
FORD	33,765	31,203	33,297	130,694	278,830	293,652
GMC	7,825	7,486	8,483	32,206	70,410	69,762
NAVISTAR	1,610	1,497	1,621	6,134	13,917	13,950
JEEP	4,500	4,134	4,560	18,651	43,372	40,411
NISSAN	1,730	2,035	1,761	6,862	12,151	15,406
AM GENERAL*	50	50	50	200	472	450
MISCELLANEOUS*	2,300	2,400	2,300	9,200	21,400	20,700
Total Trucks, U.S.	80,063	74,403	79,560	321,017	676,025	700,561
CANADIAN TRUCK	Week Ended March 7, 1987	Week Ended March 8, 1986	Week Ended Feb. 28, 1987	Feb. Total	Jan. 1 to March 8, 1986	Jan. 1 to March 7, 1987
AMERICAN MOTORS	625	286	644	2,563	0	5,655
CHRYSLER	8,964	9,184	8,670	36,392	85,152	79,973
FORD	3,648	3,808	3,457	13,529	32,897	30,100
GENERAL MOTORS	4,786	6,071	4,684	14,956	57,879	31,200
NAVISTAR	200	211	200	788	1,714	1,788
Total Trucks, Canada	18,223	19,360	17,655	68,222	177,642	148,716
N. American Trucks	98,286	93,763	97,215	389,239	853,667	849,277

—Includes window van production. *—Estimated
☆Includes commercial only. AM General includes government-designed vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mitsubishi-Fuso, etc.

Toyota pushes Tercel; boosts supply, ads

By Cleveland Horton
CRAIN NEWS SERVICE

TORRANCE, Calif. — Toyota Motor Sales U.S.A. is responding to price competition from Detroit and other imports by boosting inventory and ad spending for its Tercel line.

Toyota is devoting 100,000-plus of its estimated 620,000-car allocation to its lowest-priced Tercel series. Toyota plans to import 33 percent more Tercels during the 1987 model year than in 1986.

In addition, Toyota will triple its second quarter Tercel ad spending to $5 million, representing one-fourth of its total car advertising for the period.

Toyota has begun airing a new 30-second TV commercial backing the midyear introduction of the $5,848 Tercel EZ.

"We hadn't advertised the Tercel a lot," said George Borst, corporate marketing manager. "But we want to show that we're not abandoning the low end."

The effort to preserve its share of the entry-level market follows Hyundai Motor America's stunning first-year sales of 201,328 Excels. However, Hyundai is only one of many auto marketers — both foreign and domestic — entering the under-$6,000 category.

Borst acknowledged that the Tercel ad spending is disproportionate to its volume. Toyota sold 76,914 Tercels last year, about half the number of either of its best-selling series, Corolla or Camry.

For Camry, Toyota will air a new 30-second spot promoting its high score for trouble-free operation in a survey conducted by J.D. Power & Associates.

Meanwhile, Toyota plans to break with tradition and respond directly to the extended warranties now being offered by Detroit automakers. A newspaper ad in USA Today and the Wall Street Journal says: "The Best Vehicle Warranty in the World. Toyota Quality."

"The issues raised by (the domestic auto marketers) is that warranties equal quality," Borst said. "It's just the opposite. If the quality was there, there wouldn't be a need for the warranties."

Toyota usually refrains from direct responses to claims of U.S. automakers, but in this case, "they attacked us in Toyota's backyard — quality," Borst said.

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Automotive News

March 16, 1987

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INSIDE AUTO PACT

For 22 years, the U.S. and Canada have traded cars freely — but how long will it last?

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

On most any day, hundreds of car haulers rumble across the Ambassador Bridge, past the Canadian and American flags that mark the border over the Detroit River, and on to destinations all over the United States.

Haulers — and barges, too, when the river isn't frozen — loaded with cars, trucks and vans are not an unfamiliar sight to those who commute between the Motor City and Windsor, Ontario. Canada shipped $11.8 billion worth of passenger cars to the U.S. last year — more than twice the amount we delivered to our northern neighbor.

That figure — combined with sparkling new plants in such places as Bramalea, Ontario — is testimony to the strength of Canada's auto industry. And much of that vigor stems from 22 years of barrier-free trade brought about by an agreement known as the U.S.-Canada Auto Pact — a pact that in recent months has come under fire.

see AUTO PACT, page 19

Cover photo by Joe Wilssens

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Chrysler is planning to dismantle AMC

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. expects to dismantle American Motors and absorb the company into Chrysler Motors by the end of the year if its planned purchase of AMC is completed by mid-June.

Acquisition costs vary depending "on how you keep score," Chrysler Corp. Vice Chairman Robert S. Miller Jr. told Automotive News. Miller said the price could mount to $2 billion.

Initially, AMC will be a free-standing subsidiary of Chrysler Corp., if the planned purchase receives the approval of the AMC board of directors and stockholders and the U.S., French and Canadian governments.

"The free-standing subsidiary concept will only be transitory," Chrysler Corp. Vice Chairman Bennett E. Bidwell said in an interview with Automotive News. "If the deal is consummated, it would be our intent to bring it within the purview of Chrysler Motors expeditiously."

Bidwell declined comment on when the subsidiary would be absorbed into Chrysler Motors. A source said the action would be expected by year-end.

The intended purchase of AMC will give Chrysler the Jeep products described by Chrysler Chairman Lee Iacocca as "the best-known automotive brand name in the world;" a new $400 million assembly plant in Bramalea, Ontario, with an estimated annual capacity of 200,000 units; and a network of 1,472 AMC-Jeep-Renault dealers who will remain independent.

Addition of Jeep products will catapult Chrysler into the compact sport/utility vehicle market which accounted for 600,000 sales last year.

"If we should succeed in consummating the deal, we obviously would get a boost in truck penetration because of Jeep volume," Bidwell said, adding that the proposed acquisition "in terms of cars is not that big a deal at present."

Bidwell said Chrysler "would have no plans at this time to unilaterally expand the Jeep franchise."

The letter of intent between Chrysler Corp. and Regie Nationale Des Usines Renault, which owns 46.1 percent of AMC, provides that Chrysler will proceed with the planned manufacturing of the 1988 mid-sized Renault Premier at the Bramalea plant and will continue the AMC program to import the compact Renault Medallion. The Medallion went on sale this month.

Bidwell said Chrysler has "a commitment with Renault to serve as distributor of Medallion for a period of approximately five years but with no volume commitment."

Miller said Chrysler has agreed to sell at least 300,000 Premier units between 1988 and 1992 or else pay a penalty to Renault although there has been no decision under which brand name the vehicles will be marketed. Plans call for introducing the Premier this fall and the X59 coupe next year.

see AIR BAGS, page 57

THE PRIZES

Chrysler lured by AMC's new $400 million plant in Bramalea, Ontario, and by Jeep lineup

THE DEAL

- Chrysler Corp. pays an estimated $757 million to $1.1 billion to acquire American Motors.
- Chrysler's big gains are the Jeep line and name, and AMC's new $400 million Bramalea assembly plant in Ontario, Canada.
- The move could put Renault in the black for 1987 and hasten its privatization by the French government.
- Chrysler agrees to distribute the Renault Medallion and to manufacture the Renault Premier.
- Chrysler's timetable calls for finalization of the deal by mid-June.

AMC sale boosts Renault's recovery plans

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The decision to sell its controlling interest in American Motors may put Renault into the black for 1987 and hasten the French government's plans to make the state-owned company a private concern.

The move also appears to make Renault a more formidable competitor in Europe, where it can concentrate resources, while sacrificing ambitions to become a global automotive force.

Renault went to the brink with AMC, but with its own fragile recovery underway, decided at the last minute not to assume the full risk of a major new-product launch in the United States.

The French automaker decided to withdrew just as AMC was coming on stream with three promising new Renault models, a new assembly plant in Canada and a scaled-down cost structure that helped AMC achieve a fourth-quarter profit.

The deal holds out the prospect of closer collaboration between Chrysler and Renault on marketing and product development ventures. But industry analysts here question how well the two firms complement one another, especially in Europe.

The transaction also leaves several other unresolved issues:

- The long-term impact on French jobs linked to the United States.
- The future of Jose Dedeurwaerder, Renault sales and marketing director and former AMC president, who was seen as a strong supporter of maintaining the partnership.
- Plans for the low-volume, high-price Renault Alpine sports car scheduled to be introduced in the United States later this year.
- Renault's commitment to Mack Trucks, in which it holds a 42 percent stake.

see RENAULT, page 55

Daimler-Benz battles itself

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — A "war" being waged in the boardroom at Daimler-Benz has apparently weakened the position of Chairman Werner Breitschwerdt and may speed his retirement.

Finance chief Edzard Reuter last week was given broad new powers as the company's unmistakable No. 2 man. Many observers view Reuter's new post of deputy executive chairman as a prelude to his eventual ascension to the top job — probably after Breitschwerdt's contract expires in late 1988, but possibly sooner.

The issue should come to a head later this year. Contract extensions at German companies are typically decided one year before expiration.

West Germany's largest, most prestigious industrial enterprise has reportedly been steeped in personal conflicts ever since Breitschwerdt was appointed chairman in 1983 over Reuter and passenger-car chief Werner Niefer.

But a series of external pressures and internal changes have brought Daimler's underlying hostilities to the surface.

For example, recent complaints from West German tax drivers about Mercedes-Benz quality pro-

Chairman Werner Breitschwerdt, right; new No.2 Edzard Reuter, below; and cars head Werner Niefer, below right

vided a forum for Niefer, one of Breitschwerdt's supposed critics on the board, to make a thinly veiled criticism of the chairman.

And a management board restructuring said to have been prompted by Reuter has given rise to further squabbling as board members consolidate power.

Reuter, the architect of Daimler's diversification strategy, has been widely viewed as Daimler's de facto chief executive. Some assessments of Breitschwerdt go so far as to brand him a figurehead chairman.

Though Daimler said last week that Breitschwerdt will retain all his duties and powers in the wake of Reuters's promotion, his authority seems undermined.

A few industry observers in West Germany said they expect Breitschwerdt to be unseated before his five-year contract expires in late 1988. But the pattern that appears to have emerged is one in which Reuter may assume the chairman's

see DAIMLER, page 54

$259 million lost by VW in foreign-currency scam

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Volkswagen Group said it lost $259 million (480 million German marks) last year as the direct result of a foreign exchange swindle involving corporate funds.

Despite the shortfall, VW said it will report 1986 net profits about the same as the 596 million marks achieved in 1985 — slightly better than forecasts — and that it will go ahead with planned dividend payments.

The 596 million marks is about $320 million at current exchange rates.

The automaker said, "It is strongly suspected that illegal activities to the company's detriment underlie Volkswagen AG's foreign currency losses." But few details were given.

The company's news release declined to identify the individuals or organizations suspected, but said a VW insider may have participated.

The announcement caused the price of VW stock to plunge on the Frankfurt exchange and also touched off speculation in the financial community about the nature of the fraud and who may be involved. And there was widespread dismay among analysts that VW let controls get so far out of hand.

"They have egg on their faces," said Stephen Reitman, a German specialist at Phillips and Drew in London.

Even acknowledgement that VW was hedging currency took many analysts by surprise last week. Volkswagen has said in the past that it is philosophically opposed to hedging as protection from dollar/mark swings.

All other major West German

see TRADING, page 54

TRADE: *Compromise bill allows president to use tariffs — not quotas — to curb imports*

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Trade legislation was unanimously approved by a key House subcommittee late last week. Leading Democrats toned down earlier proposals to win qualified support from the White House.

The bill moves to the full Ways and Means Committee this week.

The package is a combination of the bill approved last year by the House and a broad "competitiveness " bill prepared by the administration.

U.S. Trade Representative Clayton Yeutter called the subcommittee's bill "a substantial improvement" over last year's legislation. The breakthrough came when the chairman of the trade subcommittee, Sam Gibbons, D-Fla., and Ways and Means Committee Chairman Dan Rostenkowski, D-Ill., offered compromise legislation that toned down a provision setting mandatory reductions in the nation's trade deficit.

The so-called Gephardt amendment — named for sponsor Richard A. Gephardt, D-Mo. — had drawn threats of a veto from the Reagan administration because it called for import quotas against countries that do not reduce their trade surpluses with the United States.

The bill allows the president to impose tariffs against nations that maintain unfair trade practices, but not quotas.

Gephardt said he will try to restore the original language of his amendment this week.

Overall, the bill would make it easier for U.S. industries to win government protection from sudden increases in imports or unfair trade practices. It would provide more government aid for workers who lose their jobs due to imports.

The legislation makes changes in a workers' rights provision included in last year's bill by eliminating unfair wage and working conditions.

Trade observers here say Rostenkowski is attempting to lull the administration into accepting a tougher bill while persuading more-protectionist-minded Democrats that they should vote for a bill the president will sign.

Chrysler lobbies suppliers

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors has invited automotive suppliers to attend what is termed a "very important meeting" regarding trade legislation issues.

The meeting, to be held March 23 at the Michigan Inn, Southfield, Mich., will include presentations by Lee A. Iacocca, Chrysler Corp. chairman; David Platt, Chrysler Motors vice president — procurement and supply; Robert W. Galvin, chairman of Motorola Inc.; and other Chrysler executives.

According to a Chrysler source, 300 letters of invitation were sent.

At the evening gathering, suppliers will be asked to join together to express their views on trade legislation in order to "insure" that legislation adopted is "fair to the auto and auto supply industries."

Chrysler has been one of the most vociferous industry critics of U.S. trade policies, the trade deficit and the growth of import-vehicle sales and Japanese transplant operations in the United States.

Also speaking at the meeting will be Harold K. Sperlich, Chrysler Motors president, and Robert A. Perkins, Chrysler Corp. vice president — federal government affairs.

Chrysler may buy more in Brazil

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Chrysler Corp.'s Brazilian auto parts exports could climb to $75 million during the next model year.

Pedro Eberhardt, who serves as president of Sindipecas, this country's auto parts manufacturers' association, believes Chrysler may boost purchases from $28 million this model year.

Last month in Detroit, Eberhardt met with Chrysler Motors Chairman Gerald Greenwald and Conrad Cohen, the company's director of international procurement. He returned to Brazil convinced that Chrysler is seeking to increase its supplier base here.

Another source at Sindipecas said 10 Brazilian auto parts manufacturers currently sell parts to Chrysler.

The Sindipecas president sought to reassure Chrysler that, with the expected downturn in domestic demand in Brazil this year, the industry would have no trouble meeting export orders.

Diamond-Star may go to 60% U.S. content

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

TAMPA, Fla. — Chrysler Corp. and Mitsubishi Motors Corp. may increase to 60 percent the planned U.S. content of vehicles produced by their joint-venture company, Diamond-Star Motors.

Chrysler Motors Chairman Gerald Greenwald said currency exchange rates and more competitive parts manufacturing in the United States have caused Chrysler and Mitsubishi to re-examine their sourcing decisions.

"We once had thought we'd be buying about 60 percent of our components from Japan and only about 40 percent from U.S. suppliers. With the change in the yen, that ratio is beginning to flip-flop in favor of good old America," he told the annual convention of the American Car Rental Association here.

An official of the U.S. Commerce Department's Foreign Trade Zones Board in Washington said Chrysler is preparing an amendment to its subzone application for Diamond-Star. He said Chrysler is expected to reduce foreign content.

The Diamond-Star plant in Bloomington-Normal, Ill., is scheduled to begin producing cars in 1988.

Greenwald said Chrysler Corp. sees "1987, and the years immediately following, as an unparalleled opportunity for an American car company . . . to actually get the jump on the Japanese." He said Japanese vehicle manufacturers are "staggering" from currency changes.

"So far, the yen has strengthened by about 50 percent since September 1985," he said. "Think of that: How would you like to swallow a 50 percent price cut on virtually your only money-making operation?"

Greenwald added, "That, in essence, is what the Japanese are trying to live with right now. America was the only place in the world where they made money, and now they're taking a bath here — even a bigger bath as they try to cling to market share by refusing to raise prices significantly."

Greenwald said the Japanese are cutting back on research and development, closing plants and laying off workers in Japan. He added, "Hell, we even understand they're telling their executives to ride coach on the Bullet train. And some Japanese bankers are even hinting at the need for mergers in order to hold the industry together."

Greenwald added, "We see opportunity in all that Japanese distress."

He said Chrysler is committed to a program to cut costs by another 30 percent and to raise quality an additional 60 percent by 1991. It also is committed to a record investment program of $12.5 billion for new products and plant improvements during the same period, he said.

Chrysler previewed the new C-body Dodge Dynasty at the convention, along with a LeBaron J convertible. The Dynasty is a full-size, V-6-powered four-door sedan that will be introduced before the end of the year.

Greenwald said that the new Dodge Shadow and the Plymouth Sundance have captured 6 percent of their retail segment — "which just happens to be the same amount (Chevrolet) Cavalier has lost."

On the subject of retail incentive programs, Greenwald said, "Nothing would please me more than to be able to announce, right here and now, that Chrysler will never have another retail program. . . .

"But let's face it, as strong as we've become, little ole Chrysler still can't call the tune in the market place. All we can do — and we have to do it — is respond competitively when Roger Smith puts on his midnight-madness suit and starts in with the giveaways."

Chrysler previewed its forthcoming full-sized C-body car, Dodge Dynasty

Domestic stocks dip; import inventories up

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

New-car dealers managed to reduce inventories of U.S.-built cars last month, while stocks of imports grew a bit.

Because there were no broadsword slashes in U.S. production in February, the inventory reductions clearly reflect a quickening pace of sales.

The daily selling rate for U.S. cars in February averaged 23,206 units, up from 18,180 in January.

From a days' supply standpoint, the domestic-car situation improved significantly. The inventory of cars at dealerships and in transit on March 1 was sliced to an 81-day supply from the 105-day supply on Feb. 1. It remained substantially higher than a year before, however, when the days' supply was 73.

While improving as the year progresses, the domestic inventory situation still is far from bright. Industry authorities say the ideal supply is about 60 days.

The inventory of domestic vehicles as of March 1 stood at 1,869,591 units compared with 1,734,299 on Feb. 1 and 1,867,265 on March 1, 1986. The March 1987 figure was the highest since May 1986 when there were 1,945,048 U.S.-built cars in the stockpile.

The count of foreign cars in inventory at ports of entry, in transit to dealerships in the United States and at dealerships as of March 1 was 531,520 units, a record for March 1. The total compared with 471,547 on Feb. 1 and 333,893 on March 1, 1986, according to an Au-

see INVENTORIES, page 24

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Canadian workers don't expect miracles in new pact

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

As the Canadian Auto Workers (CAW) gears up for bargaining with the Big Three automakers this summer, union president Robert White has no illusions that a new era of cooperation and worker participation has dawned.

"It's good that some of these things are happening," he said, referring to new types of work structure such as team production.

But as for what he calls real participation — "the corporation giving up a significant part of its power to workers — I don't see any indication that's happening." he said.

Workers at General Motors' Ste. Therese, Quebec, plant recently became the first group in an operating Canadian plant to institute the team concept contractually.

"Workers are having more input into jobs on the shop floor," White said. "But they won't be making major decisions in the near future. We shouldn't fool people that we're moving toward that."

He said that is why the CAW is focusing on the realities of work in the auto factory and on making that work secure.

"Work life on the shop floor is improving, but we can't say we've found the solution to making people happy, because it's still work, eight hours a day, maybe for 25 years," he said.

"It's repetitive, it's fairly boring. We can't change it that much. We shouldn't try to fool people that we can."

White praised the strides made at the Ste. Therese plant under the leadership of Gary Henson, the new plant manager, and Paul Morin, new chairman of CAW Local 1163.

White

Recently, a year after being told their plant was in danger of closing, Ste. Therese workers learned they are to build the A-cars, which are being moved from GM's Oshawa, Ontario, plant so it can build GM-10 cars.

In September, workers at Ste. Therese approved a contract with reduced classifications and team production. At that time, GM of Canada President George A. Peaples said the new agreement made possible a new exploration of opportunities for the plant.

But White said that the work preceding the new agreement was as significant — if not more important — than the new contract.

"There is no question that Ste. Therese has turned around significantly," White said.

"I was down there for the announcement (that the A-cars would be built at Ste. Therese), and I was surprised at the good reception the workers gave the plant manager."

see WHITE, page 32

Sales rise 5.8% for light trucks; total is 351,450

Domestic retail light-truck sales climbed to 351,450 in February, 5.8 percent more than the 332,220 sold in February 1986.

The upsurge, following a fall-off in January, was fueled, of course, by wide-ranging sales incentives.

During the first two months of 1987, the industry retailed 627,539 light trucks, off from last year's 655,311 deliveries.

Ford, Chrysler, Nissan, Isuzu and Suzuki were all up from year-ago levels.

Suzuki had nearly a threefold increase in Samurai sales. Its Samurai is now outselling Mitsubishi's entire truck lineup.

Chrysler had a big spurt in sales, largely because of continuing gains by Dodge Dakota. Dakota outsold Dodge's full-sized pickups last month. Caravan/Voyager sales, however, continued to trail last year's total.

Ford turned in a strong performance, chalking up big gains for Bronco II and Aerostar. It also had increases across the full range of its truck lines.

Chevrolet is still awaiting the introduction of its new full-sized C/K pickups, which may push its sales up from last year when full production is reached.

Coltrans and Jupiter sign joint agreement

KENOSHA, Wis. — Coltrans Systems, Brentwood, Tenn., the parent company of Howard Sober Inc., has entered into a joint agreement with Jupiter Transportation Co. here, parent company of Kenosha Auto Transport Corp.

Jupiter will take over the heavy- and medium-duty truck transport business formerly run by Sober. Coltrans will assume control of Kenosha Auto Transport.

Light-Duty February, Year-to-Date Sales

	February		Year-to-Date	
	1987	1986	1987	1986
Vans	13,717	11,792	24,127	23,987
Aerostar	11,788	8,240	20,276	16,400
Club Wagon	2,392	1,726	4,212	3,691
Ranger	25,632	21,729	45,308	44,565
Bronco	3,786	3,273	6,998	6,758
Bronco II	9,388	5,989	17,460	11,973
Pickups	41,442	40,051	70,374	80,136
Ford	**108,135**	**92,800**	**188,755**	**187,510**
Vans	7,139	9,161	12,975	17,385
Sportsvan	958	1,400	1,736	2,420
Astro	10,781	10,181	19,620	19,034
S-10	21,194	17,626	34,714	33,675
S-10 Blazer	13,467	11,050	23,524	21,524
El Camino	1,011	2,026	1,932	4,491
Blazer	2,246	3,099	4,154	5,989
Suburban	3,631	3,974	6,717	7,250
Pickups	29,925	36,839	50,734	71,293
Chevrolet	**90,352**	**95,356**	**156,106**	**182,898**
Vans	4,522	3,850	8,737	7,802
Ram Wagon	2,472	2,293	4,745	4,340
Voyager	7,413	8,453	12,361	16,727
Caravan	8,654	8,898	14,272	17,755
Mini Ram Van	1,088	1,175	1,943	2,362
Ram 50	5,700	6,364	10,531	12,293
Raider	1,375	0	2,314	0
Ramcharger	2,201	1,266	3,550	2,606
Dakota	7,966	0	14,299	0
Pickups	7,815	7,379	14,279	16,128
Chrysler	**49,206**	**39,678**	**87,031**	**80,013**
Vans	3,030	2,706	5,614	5,262
Safari	2,247	2,322	4,158	4,311
S-15	4,290	4,243	7,392	7,960
S-15 Jimmy	3,165	2,742	5,689	5,402
Jimmy	583	645	1,162	1,217
Caballero	120	248	262	569
Suburban	1,245	1,327	2,389	2,617
Pickups	7,831	9,358	13,367	18,295
P Model	385	330	1,077	636
W-4	91	90	205	151
GMC	**22,987**	**24,011**	**41,315**	**46,420**
Wrangler/CJ	2,057	3,297	3,963	7,361
Wagoneer	922	717	2,069	1,651
Cherokee	7,327	6,792	16,419	14,708
Grand Wagoneer	902	1,120	2,184	2,560
Comanche	3,171	2,896	6,069	5,714
J-10/J-20	153	91	319	256
Jeep	**14,532**	**14,913**	**31,023**	**32,250**
Toyota	20,437	28,519	38,840	55,408
Nissan	18,914	15,615	34,808	30,404
Mazda	8,558	9,693	16,917	18,341
Isuzu	7,236	6,876	13,084	12,467
Mitsubishi	4,421	2,018	7,326	3,994
Suzuki	6,672	2,741	12,334	5,606
Imports	**66,238**	**65,462**	**123,309**	**126,220**
Industry Total	**351,450**	**332,220**	**627,539**	**655,311**

*Nissan includes domestically-built units in Tennessee

SUCCESS: *Volvo White moves up the sales ladder in heavy trucks, tops Ford for 4th place*

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

GREENSBORO, N.C. — Volvo White officials surprised themselves last year by taking 10.1 percent of the heavy-duty truck market and edging out Ford for fourth place in the U.S. industry's ranking.

In 1985, Volvo had only 8.8 percent of the market and ranked seventh in the field of eight heavy-truck competitors.

Thage Berggren, company president, credited part of the company's success to the introduction of the Volvo WE5 and FE7 last year and sharp sales increases in White Xpeditor and Integral Sleeper models.

White Integral Sleepers accounted for nearly 3,500 of Volvo White's 13,200 factory sales last year — 3.1 percent of total industry Class 8 sales.

The company had its third straight year of profitability in 1986, attributable in large part to improved efficiency. Berggren noted that last year, Volvo's New River Valley, Va., plant increased production by two trucks a day without increasing the workforce. In addition, the plant had a stable workforce -- it lost only one of its 1,000 manufacturing employees last year.

Volvo White accounted for 30 percent of the Sweden-based Volvo Truck Corp.'s worldwide sales last year. Volvo's worldwide heavy-duty truck sales were an estimated 43,700, up from 41,300 in 1985.

Volvo is now a strong third behind Daimler-Benz/Freightliner and Renault/Mack in worldwide heavy-duty truck sales.

The Daimler group ranked first in the worldwide market with about 59,000 heavy-duty truck sales — 39,000 for Daimler and 20,000 for Freightliner.

The Renault Group ranked second with 47,000 sales — 28,000 for Mack and 19,000 for Renault.

Volvo Truck Corp. followed with 43,700 sales, and Navistar ranked fourth with 31,000.

Preliminary figures for AB Volvo's other operations indicated that auto sales increased 6 percent and the bus business was up 8 percent, Berggren added. The parent company earned more than $1.2 billion in 1986 on sales of nearly $13 billion.

Berggren said the financial position of the parent company indicates that it has the resources to back a number of future ventures.

He said Volvo Truck Corp. has invested an average of 6 percent of its annual sales in product development during the past 20 years and that will continue.

Volvo GM Heavy Truck Corp., which begins operation in January 1988, has the potential to sell 18,000 heavy-duty trucks annually in the United States. That figure is based on the combined total of GM's and Volvo's heavy-duty sales in 1986. The company, however, has no firm sales projection for 1988.

Berggren said a joint venture was the quickest and most cost-effective method for Volvo White, which is 100 percent focused on heavy-duty trucks, to increase market share.

He said that heavy-duty truck manufacturers must increase their economies of scale if they are to survive. Given the mature markets for heavy-duty trucks in the United States and elsewhere, that is difficult to do without a joint venture, Berggren added.

He said that customers in the United States are looking for a wider variety of models to meet varying needs and that Volvo GM Heavy Truck Corp. will be able to supply them.

A new model for the 1990s will cost 10 times more to develop than it did in 1975, Berggren said. Despite the cost, customers are demanding new models at shorter and shorter intervals.

All of which argues in favor of Volvo's joint venture with GM, he said.

DDA says new diesel will have price edge

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

REDFORD, Mich. — Detroit Deere Corp. is introducing its new Series 60 diesel engine with prices 12 percent to 20 percent below those of competitive powerplants.

It is also shooting for 22 percent of the U.S. heavy-duty diesel market by 1992.

Its next major engine project, aimed for the early 1990s, is a new range of smaller powerplants for the off-road and light-to-medium-duty truck market.

The Series 60 engine, representing a $300 million investment, will be exported for use in Australian trucks later this year. It is also being evaluated for use in European trucks by two major truck manufacturers there.

The Series 60, the first production diesel with a fully integral electronic engine control system, is being offered by Freightliner, GMC, Kenworth, Peterbilt, Volvo and Western Star in the United States.

Meanwhile, Detroit Diesel Allison Division of General Motors and Deere & Co. are still putting together their $1.5 billion Detroit Deere Co. joint-venture firm.

DEDEC's formation will not be finalized until at least April 1 and possibly later, said Ludvik F. Koci, DEDEC chairman and chief executive officer.

"We told our employees that some of the things we're working on haven't been worked out yet," Koci said at a press conference here.

"The next target date is April 1 but there's nothing magic there. We're just continuing to work on some of the things that have to be settled. It's just very complicated."

Koci revealed that DEDEC is working on "smaller engines, every bit as dramatic as (the Series 60)" for the early 1990s.

"We don't know whether they will come to fruition or not," Koci added, noting that their primary target is the "off-road market and some truck applications in the light to small-medium truck" market.

"Those are just development programs, aimed for engines in the early '90s, if they come to pass. They'll be the next major project," he said.

Albin Kozel, manager of on-highway marketing for DDA, said DEDEC plans to get 20 percent of the North American heavy-truck market by 1990. Currently, DDA has about 5.5 percent of that market.

DEDEC expects to sell 3,000 to 3,400 Series 60 engines this year, 9,000 to 10,000 in 1988 and 18,000 to 19,000 in 1989.

The engine will be introduced in Australia in September by Western Star and Kenworth, Kozel added.

DEDEC is also talking with two European truck firms about its use there.

"I can't tell you who they are. We're not that far along," Kozel said. However, he pointed out that European-based Volvo and Freightliner are offering the engine in their U.S.-built trucks.

Freightliner, he added, has shipped engines to Europe for Daimler-Benz to examine.

Volvo, currently forming Volvo GM Heavy Truck Corp., is also a good prospect.

The Series 60's electronics carry a price premium which DEDEC has largely overcome by the efficiency of its engines' design (it has fewer parts than competitive powerplants) and its manufacturing/assembly operation, officials said.

They expect the electronics' price premium to fade as production volumes increase.

The engine was designed to meet 1988 emission standards, before they were pushed back to 1990.

Despite the electronics' expense, Kozel said, "if you went to the OEMs (truck manufacturers offering the engine) and asked to see their (published prices in the) data book, they would tell you the price of a Series 60 is probably between 12 percent and 20 percent less than any other engine you can buy."

Even with cut-rate prices, DEDEC will still be able to make a profit, Kozel said.

Aside from sheer production cost, company officials said the engine has so many benefits — reduced warranty costs, reduced maintenance and early warning of potentially costly repairs and downtime — that owners will reap a big bonanza in savings over the life of their vehicles.

Big sales drive for Series 60

REDFORD, Mich. — DEDEC's new Series 60 engine will be offered in 11.1-liter and 12.7-liter displacements, with horsepower ranging from 250 to 400.

The engine will have 50-state certification, and it will be offered by Freightliner, GMC, Kenworth, Peterbilt, Volvo White and Western Star in a variety of heavy-truck models.

Company officials expect fuel economy to be 2 percent to 15 percent better than competitors' engines. Based on surveys, they also expect the engine to have 28 percent fewer failures and a 25 percent longer life than current competitive diesels.

The engine already meets 1988 emission standards and will meet 1991 standards without particulate traps, officials said.

The engine has a 2-year/unlimited-mileage warranty, covering 100 percent of parts and labor. As an introductory offer for the 1987 calendar year, buyers will receive an extension of that service coverage to 3 years at no charge.

Extended 5-year/500,000-mile, 100 percent parts and labor warranty coverage also can be purchased.

As part of its all-out marketing effort, DEDEC has been trying to get as many early production units as possible into customers' production-model trucks. It formed joint implementation teams with truck manufacturers to expedite engineering and installation of the engines.

It is also putting as much emphasis on after-sale service support as on pre-sale support.

The Series 60 is built in a 300,000-square-foot area of DEDEC's main plant in Detroit, using a sophisticated flexible manufacturing system.

SERVICE MANAGEMENT

GE sees big market for recycled thermoplastics

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Electric is developing processes to recycle thermoplastics from scrapped automobiles.

Herbert K. Hoedl, general manager of the GE Plastic Group's Transportation Marketing and Technology Department, said, "Because the automotive industry, more than any other industry at this time, stands to be the focal point for recyclable plastics, we recently launched a program on recyclability of automotive parts."

GE announced its plans to recycle thermoplastics at a press conference held in conjunction with the recent SAE convention.

GE plans to develop technology that will allow thermoplastics used in automobiles and packaging — both relatively short-term uses — to be recycled into construction materials. GE officials said thermoplastic materials also can be used in other industries.

Uwe S. Wascher, vice president and general manager of the Plastics Marketing Division of the GE Plastics Group, said, "Instead of being shipped to scrap metal dealers, discarded automobiles will be shipped to plastics converters. Since the value of old automobiles won't be tied to rusting metals, but to high performance, non-degradable thermoplastics, plastics conversion will become a new industry."

GE officials said plastics in industry will become as common as steel, paper and glass.

They said recycled thermoplastics retain much of their structural strength and are well suited for use in the construction industry. Recycling generally involves grinding up thermoplastic components and then remolding them.

GE is studying methods for recycling auto plastics, seen here on the front fascia

Wascher said engineering plastics can replace wood and metal in the construction industry.

He said, "We have an opportunity to make a dramatic improvement in productivity in an industry where little productivity exists. Using our expertise in computer-aided design and engineering, in processing and in materials technologies, we can design and build houses in the highly organized way automobiles are designed and manufactured."

Since mid-1986, Hoedl said, GE has been removing thermoplastic parts from cars in Detroit-area scrap yards and studying the feasibility of re-using them. The parts are sent to GE's Pittsfield, Mass., headquarters, categorized (there are types of thermoplastics), cleaned and tested.

Hoedl said, "The first results clearly indicate that even after six to 10 years of use on the road, the remaining properties of Noryl, Lexan and Valox (GE thermoplastics) are still above and beyond the virgin properties of most commodity plastics."

GE claims that its thermoplastic materials offer an advantage over the "thermoset" materials with which they compete in the auto industry.

Hoedl said, "By definition, a thermosetting material is non-recyclable. It takes a permanent set, chemically, and cannot be re-used. The thermoset part can only be disposed of, used as landfill or burned . . . However, a thermoplastic material is, by definition, recyclable because it undergoes a strictly physical change. There is no chemical change."

GE officials also claim their thermoplastic materials are compatible and can be combined in the recycling process.

Hoedl said, "With GE plastics, we can take a headlamp and a bumper or fascia, regrind them together and remold the combined materials into another part."

He added, "There are many ways to facilitate the creation of a vital new recycling industry in plastics. For example, parts can have molded-in bar codes, designating when and where the part was produced and out of what material. Bar-code readers can then assist in the reclamation and identification of automotive parts."

GE officials said 200 million pounds of engineering plastics were used in U.S. automobiles in 1985, and by the late 1990s there will be 10 million cars on the road with all-plastic bodies.

Thermoplastics, Hoedl said, will eventually be used for structural components in automobiles. He said GE is developing a fiber-reinforced thermoplastic called AZMET that can be used in structural automotive applications.

Wascher said, "Clearly, our planet's limited resources demand that recycling is both an economic and a social imperative. To some degree, suppliers of traditional materials such as glass, metals and paper have recognized this and have instituted comprehensive recycling systems."

He added, "Furthermore . . . traditional materials have always been degradable . . . they eventually returned to the natural cycle of things. But up until now, the plastics industry — the first industry to produce high-volume materials that are virtually non-degradable — has not made major efforts to recycle its materials."

Wascher said some people in the plastics industry have suggested that degradable plastics should be developed, but he said such materials would be wasteful.

He said, "Our developing those (degradable plastics) technologies will only insure that we continue to promote inefficiency and waste associated with using degradable materials. Engineering plastics are high performance not only because of their property characteristics, but because they do not decompose."

Also at the press conference, the GE Plastics Group announced it has formed a Plastics Transportation Engineering Center to provide plastics engineering and design services. The center is based at the company's Pittsfield headquarters and other facilities are located in Detroit; Louisville, Ky.; Schenectady, N.Y.; and 14 other sites around the world.

In addition, the company announced an alliance with Sherwin-Williams Co., calling for Sherwin-Williams' Chemical Coatings Division to handle the marketing and technical service for GE's silicone hardcoating (a clear coating commonly used in automotive lighting systems) technology.

GE said its silicone hardcoating technology has applications for automotive exterior uses as well as in optical and sporting goods markets.

Shop business declines a bit for January

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships took a dip as 1987 began, following a strong showing in the last month of 1986.

The Automotive News Service Index showed that shop business at dealerships fell 1.7 percent in January compared with January 1986.

Shop business in December 1986 was up 8.7 percent over the year-earlier month, and business for all of 1986 was up 5.3 percent over 1985.

A number of dealers tied their lagging service volume to slow new-car sales during January.

A Southern Oldsmobile dealer said, "New-car sales decreased. Therefore, pre-delivery, service and new-car adjustments slowed. Also, the number of customers returning for service decreased, reducing total gross."

A Western Chevrolet dealer said "Business was down from 1986, but still profitable."

He attributed the slowdown to a soft economy and "no new-car sales to keep warranty sales up."

A Northwest Dodge-BMW dealer whose service business decreased said, "The car business, including service and parts, almost dried up in January."

Among dealerships with service increases in January, a Northeast Chevrolet dealer said service business increased "due to increased sales in the later part of 1986."

SERVICE INDEX
98.3*

	January, '87 vs. January, '86
Gross Profit on All Labor and P&A Sales	– 1.0%
Repair Orders Written	– 9.8%
Total Labor Sales (Customer & 'Warranty)	+ 1.0%
Shop Parts Sales (Customer & Warranty)	– 0.7%
Sales of All P&A	+ 1.8%

*—Survey by Automotive News shows that dealers' service and parts business in January 1987, was 98.3 percent of business in January 1986.

A Midwest Ford dealer attributed an increase in service business to "seasonal warranty work."

A Northwest Oldsmobile dealer said his increase resulted from advertising, changes in the weather and an excellent service department.

Indicators during January were mixed.

Sales of parts and accessories (customer-paid and warranty) registered the biggest gain in January 1987, up 1.8 percent over January 1986. Total labor sales (customer-paid and warranty) gained 1.0 percent over the previous year.

Shop-parts sales (customer-paid and warranty) fell 0.7 percent in January 1987. Gross profit on all labor, parts and accessory sales dipped 1.0 percent. Repair orders written dropped 9.8 percent in January 1987. Repair orders often lag behind other indicators.

Parts and accessory sales to off-premises customers were up 3.7 percent in January.

Warranty costs linked to quality

SHOP TALK

ARTHUR FLAX

Domestic auto manufacturers made much of their improved quality when introducing extended warranty policies recently. Those claims are not all smoke, according to a domestic industry source who studies such matters.

Warranty costs, the source said, are directly related to the manufacturing process — how well the car is put together.

However, the source admitted that domestic manufacturers still have to play catch up to the Japanese in quality.

The source said, "Toyota is generally believed to have the lowest warranty costs of all car manufacturers, and all of the Japanese are clustered together in terms of warranty costs. American and European cars are also clustered together, down a tier."

However, he noted, "If you look at a given car line, a lot depends on how the cars are driven. A Fiero, for example, might be driven a lot harder than a Monte Carlo and repair costs would reflect that."

Dealer survey

Most dealers and service managers who participated in an informal Automotive News survey asking them to predict the effects of longer domestic warranties on shop business said the warranties would boost profits and add to customer satisfaction.

Although the jury is still out on the effect of the long warranties on service contracts, rustproofing and other dealer profit centers, dealers and shop managers are apparently looking forward to increased business.

Some dealers were concerned that warranty labor charges would be based on those in the manufacturers' flat-rate books — which are lower than those in the independently produced books on which most non-warranty repair labor prices are based. However, many said the longer warranties would allow them to make up for the lower labor rates in other areas.

An Eastern Chevrolet dealer said, "Business should increase due to customers having to return to the dealer for repairs under the extended warranty. This gives the service department the opportunity to look the vehicle over and sell more maintenance repairs."

A Midwest Cadillac dealer said the longer warranty "will tie the customer to the dealer service department for a longer period of time. It will switch the labor rate from customer to warranty, but the total of the two (rates) should be up."

A Southern Oldsmobile dealer predicted service business would increase as more customers return to the dealership rather than going to independent garages and service stations.

A Midwest Ford dealer said the longer warranties "will fill in some of the gaps from time to time and probably force us to hire new personnel to keep up.

On the other side of the coin, a Northeast Chevrolet dealer responded that service business "will decrease customer labor (as billing will be through the factory labor rate book) and, as a result, will mean decreased gross profit."

And a Western Chevrolet dealer said, "Unless the sale of new units goes up drastically, it will not have a great effect. It should tie the vehicle to dealer service, though.

Chevy truck quality

Chevrolet and GMC have established a toll-free telephone number to monitor the quality and detect early problems with the new C/K pickup trucks. The number is intended only for use by dealers.

In a recent Chevrolet/GMC truck service bulletin, dealers were told, "Our goal is to uncover all problems, whether they are parts, assembly or engineering, and to produce a 'World Class' vehicle."

Dealers were encouraged to call the number "as early as your pre-delivery inspection to report any problem observed or experienced with this vehicle."

The bulletin also said, "The 800 number is intended to gather valu-

see SHOP TALK, page 22

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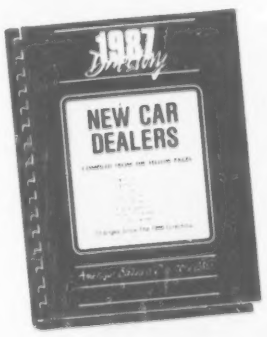

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DOMESTIC DAYS' SUPPLIES

	Mar. 1, 1987	Feb. 1, 1987	Mar. 1, 1986
Alliance	182	202	92
Encore	0	0	199
Total Renault	182	202	115
Eagle	117	96	138
Total AMC	117	96	138
AMERICAN MTRS.	173	186	117
Horizon	54	94	61
Sundance	95	101	0
Turismo	140	295	94
Reliant	70	115	54
Caravelle	80	130	104
Plymouth	160	154	53
Total Plymouth	87	119	67
Laser	78	186	279
LeBaron K	87	107	81
LeBaron J	78	106	0
LeBaron GTS	94	167	110
Fifth Avenue	121	133	116
New Yorker	93	223	125
Total Chrysler	92	147	113
Omni	78	96	65
Shadow	71	92	0
Charger	126	263	90
Daytona	84	192	175
Aries	61	109	67
Lancer	84	149	138
Diplomat	120	123	65
Dodge 600	81	142	125
Total Dodge	78	123	93
CHRYSLER MTRS.	85	127	90
EXP	0	0	0
Escort	69	131	47
Mustang	35	78	88
Tempo	68	118	42
Taurus	84	80	41
Thunderbird	58	76	65
LTD	0	0	87
Crown Victoria	74	105	87
Total Ford Division	66	99	57
Lynx	91	153	58
Topaz	74	130	39
Sable	92	120	43
Cougar	93	103	56
Capri	0	0	155
Marquis	0	0	65
Grand Marquis	60	87	32
Total Mercury	81	113	61
Continental	54	71	80
Lincoln	49	62	55
Mark VII	78	80	69
Total Lincoln	54	66	60
Total L-M Division	75	99	61
FORD MOTOR CO.	68	99	58
Skyhawk	251	247	156
Skylark	0	0	0
Somerset Regal	146	199	66
Century	111	110	75
Regal	121	159	77
LeSabre	96	114	88
Electra	107	108	103
Riviera	67	63	101
Total Buick	118	130	86
Cimarron	183	165	105
Allante	184	0	0
Seville	66	54	98
Cadillac	91	104	48
Eldorado	120	55	86
Total Cadillac	94	93	56
Chevette	57	51	129
Nova	162	188	59
Cavalier	50	100	52
Citation	0	0	103
Camaro	73	146	142
Celebrity	68	94	65
Corsica/Beretta	276	—	0
Monte Carlo	162	153	135
Chevrolet	94	103	128
Corvette	117	135	157
Total Chevrolet	81	113	84
Firenza	278	184	166
Calais	83	107	125
Cutlass Ciera	87	81	54
Cutlass Supreme	89	131	59
Olds 88	93	103	94
Olds 98	148	139	39
Toronado	97	120	87
Total Oldsmobile	96	105	68
Fiero	130	200	128
1000	80	116	121
Sunbird	98	122	60
Firebird	96	142	120
Grand Am	51	48	43
6000	106	96	77
Bonn./Gr. Prix	148	222	72
Grand Prix	0	0	95
Parisienne/Bonn.	107	135	106
Total Pontiac	90	102	80
GENERAL MTRS.	92	110	78
VOLKSWAGEN	123	178	78
HONDA	6	7	11
NISSAN	85	92	23
TOYOTA*	101	130	0
DOM. TOTAL	81	105	73
Subcompact	72	102	65
Compact	68	117	72
Intermediate	90	103	72
Standard	89	108	100
Luxury	92	95	68

*Automotive News estimates.

INVENTORIES

FROM PAGE 5

tomotive News analysis.

Stocks of imported cars on March 1 were the equivalent of a 58-day supply compared with a 62-day level a month earlier and a 37-day supply a year earlier.

Stocks of imported trucks on March 1 totaled 222,077 units, up from 206,132 on Feb.1 and 138,800 on March 1, 1986.

For comparison purposes, it is interesting to note that imported-truck inventories on March 1, 1985, were 87,383 units, or a 30-day supply, and on March 1, 1984, only 62,893 units, the equivalent of a 34-day supply.

The combined inventory of foreign-made cars and trucks amounted to a 62-day supply on March 1, compared with a 68-day supply as of Feb. 1 and a 39-day supply on March 1, 1986.

By companies, the March 1 domestic new-car inventories as a percent of the total were virtually unchanged from a month before and shaped up this way: General Motors, 57.02 percent; Ford Motor Co., 23.96 percent; Chrysler Motors, 14.80 percent; Nissan, 1.37 percent; Volkswagen, 1.05 percent; American Motors, 0.97 percent; Toyota, 0.47 percent; and Honda, 0.36 percent.

At the beginning of February, the inventory was divvied up like this: GM, 56.91 percent; Ford Motor, 23.79 percent; Chrysler, 15.03 percent; Nissan, 1.33 percent; Volkswagen, 1.12 percent; AMC, 1.00 percent; Toyota, 0.50 percent; and Honda, 0.32.

By size class, the March 1 domestic new-car stockpile consisted of 37.25 percent intermediates, 21.07 percent compacts, 19.83 percent subcompacts, 12.35 percent standard-size cars and 9.50 percent luxury cars.

Shares a month earlier were: Intermediates 35.26 percent, compacts 22.87 percent, subcompacts 19.98 percent, standards 12.19 and luxury 9.70 percent.

For imports, car inventories by nation of origin as a percent of the total looked this way as of March 1: Japan, 72.71 percent; West Germany, 17.79 percent; and others, 9.50 percent. A month before, it was Japan with 71.61 percent, West Germany with 17.00 percent and the others with 11.39 percent.

Days' supplies of imported trucks by maker stood this way on March 1 with the figure for Feb. 1 in parentheses: Chrysler 101 (126); Isuzu 93 (115); Nissan 86 (109); Mitsubishi 69 (78); Mazda 66 (70); Toyota 64 (67); Suzuki 22 (31).

IMPORT DAYS' SUPPLIES

	Mar. 1, 1987	Feb. 1, 1987	Mar. 1, 1986
Spectrum	143	130	193
Sprint	148	141	83
Chevrolet	145	134	138
Chrysler Corp.	109	131	71
Acura	41	54	0
Honda	15	8	8
Isuzu	176	157	51
Mazda	88	74	21
Mitsubishi	57	127	24
Nissan	61	76	39
Subaru	101	74	28
Toyota	30	35	8
JAPAN	61	65	30
Audi	272	256	90
BMW	54	54	40
Mercedes-Benz	25	32	20
Merkur	158	190	88
Porsche	80	81	65
VW	114	157	85
GERMANY	83	100	60
Alfa Romeo	41	50	61
Hyundai	22	29	0
Jaguar	27	43	16
Peugeot	92	69	63
Renault	0	0	275
Saab	48	47	54
Sterling	17	0	0
Volvo	42	28	56
Yugo	26	50	35
Other Countries	30	34	54
Total Import Cars	58	62	37
Isuzu	93	115	110
Mazda	66	70	30
Mitsubishi	69	78	78
Nissan*	86	109	62
Suzuki	22	31	0
Toyota	64	67	26
Chrysler	101	126	67
Total Imp. Trucks	73	85	48
Total Imp. Vehicles	62	68	39

*Includes domestic trucks.

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New-model intro expenses cut Jaguar profits for '86

LONDON — Jaguar PLC reported revenues for the year ended Dec. 31, 1986, were up 11 percent from 1985 while after-tax profits declined because of new-car launch costs and other expenses.

The company's revenues totaled the equivalent of $1.2 billion, based on year-end exchange rates. After-tax profits amounted to $123 million, a 5 percent decline from 1985 profits. Pre-tax profits were $179 million, about the same as in 1985.

The company said 1986 results reflect $16 million in launch costs associated with the introduction of the new XJ6 sedan, increases in engineering expenditures and depreciation charges. The company also did not have any tax-loss carry-forwards remaining in 1986 so its tax bill increased 11 percent.

Vehicle production increased 7.63 percent to 41,437 cars from 38,500 in 1985. Sales to dealers and distributors rose 8.71 percent to 41,256 units in 1986 compared with 37,952 in 1985.

Sales of sedans rose 7 percent to 32,059 units. The new XJ6 sedan accounted for 2,610 sales in the final quarter of 1986. The XJ-S sports coupes recorded a 16 percent increase in sales to 9,008 units from 7,760 in 1985.

Jaguar again achieved record sales in the United States. U.S. sales were up 23.70 percent to 24,901 units compared with 20,130 during the prior year. Significant gains were also made in Canada, as sales increased 58 percent to 2,122.

AUCTION DATES

American Motors

March 17 — D-A Auto Auction, New Stanton, Pa., and Aptco Auto Auction, Taylor, Mich.

March 18 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

March 19 — Todd Auto Auction, Telford, Pa., and Evansville Auto Auction, Evansville, Ind.

March 24 — Statesville Auto Auction, Statesville, N.C.

March 25 — St. Louis Auto Auction, Bridgeton, Mo.; Columbus Fair Auto Auction, Columbus, Ohio; and Kansas City Auto Auction, Kansas City, Mo.

March 26 — D-A Auto Auction, New Stanton, Pa.; Corry Auto Auction, Corry, Pa.; and Evansville Auto Auction, Evansville, Ind.

March 31 — D-A Auto Auction, New Stanton, Pa.

Chrysler Corp.

March 17 — American Auto Auction, Walpole, Mass.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

March 18 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

March 19 — Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Indianapolis Auto Auction, Indianapolis

March 24 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

March 25 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

March 26 — Fredericksburg Auto Auction, Fredericksburg, Va.

March 27 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

March 18 — Lakeland Auto Auction, Lakeland, Fla., and Golden Gate Auto Auction, Fremont, Calif.

March 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

March 20 — Interstate Auto Auction, Mercer, Pa.

March 24 — South Seattle Auto Auction, Kent, Wash.

March 25 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

March 26 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

March 17 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

March 18 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

March 19 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

March 24 — Harrisonburg Auto Auction, Harrisonburg, Va.

March 25 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

March 26 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

Used Car Sales
Auction Averages

March to date	$5,747
Month ago	$5,742
Year ago	$4,825

Model Breakdown
Auction Averages

	MAR 1987	FEB 1987	JAN 1987
1987	$13,261	$13,406	$13,158
1986	$9,801	$10,038	$11,481
1985	$7,345	$7,382	$7,054
1984	$5,830	$5,940	$5,811
1983	$4,801	$4,843	$4,995
1982	$3,624	$3,628	$3,599
1981	$2,612	$2,537	$2,614
1980	$2,155	$2,167	$1,997
Overall Average	$5,747	$5,711	$5,129

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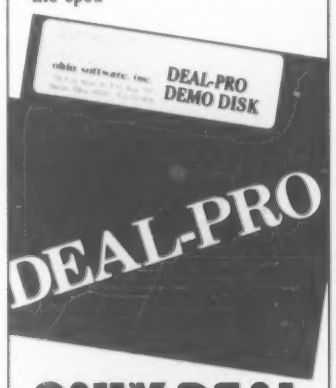

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PRODUCTION

U.S. CAR	Week Ended March 14, 1987	Week Ended March 15, 1986	Week Ended March 7, 1987	March to Date	Jan. 1 to March 15, 1986	Jan. 1 to March 14, 1987
AMERICAN MOTORS	800	2,069	775	1,575	10,711	7,669
Renault Total	800	2,069	775	1,575	10,711	7,669
Alliance	800	1,791	775	1,575	9,490	7,669
Encore	0	278	0	0	1,221	0
CHRYSLER MOTORS	17,700	28,119	23,192	40,892	312,409	253,026
Plymouth Total	5,700	8,915	7,979	13,679	87,528	95,269
Horizon	0	3,640	2,014	2,014	32,655	32,324
Sundance	2,200	0	2,242	4,442	0	22,765
Reliant	2,500	3,756	2,561	5,081	39,063	27,458
Caravelle	1,000	[illegible]	1,142	2,142	13,062	12,718
Gran Fury	0	[illegible]	0	0	2,748	4
Chrysler Total	6,200	[illegible]	7,119	13,319	112,236	61,986
Laser	0	[illegible]	0	0	10,998	0
LeBaron K	1,800	2,453	1,899	3,699	27,632	18,133
LeBaron J	1,100	0	1,806	2,906	0	16,068
LeBaron GTS	700	0	810	1,510	22,848	8,275
New Yorker/E-Class	1,700	1,530	1,887	3,587	15,910	17,358
Fifth Avenue	900	3,245	717	1,617	34,848	2,132
Dodge Total	5,800	10,851	8,094	13,894	112,645	95,791
Daytona	600	1,033	898	1,498	10,402	8,128
Omni	0	3,666	1,770	1,770	33,251	27,744
Shadow	1,800	0	1,881	3,681	0	20,400
Aries	2,000	3,389	2,053	4,053	28,291	23,173
Dodge 600	900	1,863	990	1,890	17,531	10,547
Lancer	500	0	502	1,002	17,542	5,795
Diplomat	0	900	0	0	5,628	4
FORD MOTOR	44,389	38,351	43,643	88,032	375,111	432,610
Ford Division	31,030	26,643	31,086	62,116	255,669	297,053
Escort	8,338	8,254	8,402	16,740	84,818	76,848
Mustang	4,602	4,115	5,155	9,757	43,006	46,738
Tempo	4,267	4,261	4,410	8,677	44,811	41,463
Taurus	9,835	6,314	9,700	19,535	45,326	101,416
Thunderbird	3,988	3,699	3,419	7,407	37,908	30,588
L-M Division	13,359	11,708	12,557	25,916	119,442	135,557
Mercury Total	9,259	8,024	8,480	17,739	79,666	97,410
Lynx	1,064	1,182	1,075	2,139	14,566	13,157
Capri	0	293	0	0	3,716	0
Topaz	1,210	1,169	1,097	2,307	14,346	12,941
Cougar	3,960	2,471	3,381	7,341	25,104	40,318
Sable	3,025	2,909	2,927	5,952	21,934	30,994
Lincoln Total	4,100	3,684	4,077	8,177	39,776	38,147
Continental	415	408	408	823	4,561	3,825
Lincoln	3,075	2,763	3,059	6,134	29,841	28,608
Mark VII	610	513	610	1,220	5,374	5,714
GENERAL MOTORS	88,668	93,333	90,214	179,082	1,009,870	826,330
Buick Total	12,986	15,238	13,062	26,048	159,165	135,867
Skyhawk	901	1,844	881	1,782	18,779	9,901
Century	4,430	4,962	4,632	9,062	52,346	43,264
Regal	855	1,455	999	1,854	9,441	9,903
Somerset/Skylark	2,045	2,162	1,956	4,001	20,273	19,033
LeSabre (fwd)	2,030	2,488	1,371	3,401	21,273	21,127
LeSabre/Electra (rwd)	344	364	283	627	2,769	4,639
Electra (fwd)	2,381	1,490	2,464	4,845	29,899	22,769
Riviera	0	453	476	476	4,385	5,231
Cadillac Total	6,841	6,812	7,660	14,501	54,987	72,621
Cimarron	456	729	422	878	5,103	4,617
Allante	45	0	55	100	0	471
Brougham (rwd)	2,340	2,036	2,210	4,550	16,756	19,808
DeVille (fwd)	4,000	3,225	4,068	8,068	35,171	37,717
Eldorado	0	480	437	437	4,510	3,558
Seville	0	342	468	468	3,447	6,450
Chevrolet Total	35,511	30,836	34,749	70,260	337,265	302,202
Chevette	0	2,407	0	0	26,610	0
Camaro	4,394	4,888	1,115	5,509	51,732	21,243
Cavalier	8,138	8,526	8,070	16,208	97,153	76,114
Celebrity	8,709	7,647	8,840	17,549	67,748	82,631
Corsica/Beretta	6,176	0	7,558	13,736	0	54,584
Monte Carlo	2,184	2,664	2,493	4,677	26,894	14,646
Chevrolet	5,268	3,900	6,033	11,301	52,525	46,543
Corvette	640	804	640	1,280	4,804	6,441
Oldsmobile Total	17,448	23,279	17,996	35,444	256,173	160,833
Firenza	306	1,377	279	585	11,218	4,708
Calais	2,755	2,765	2,639	5,394	32,968	26,123
Cutlass Ciera	3,590	5,114	3,756	7,346	67,000	42,597
Cutlass Supreme	2,599	4,249	2,142	4,741	47,170	10,903
88 (fwd)	5,483	6,276	6,199	11,682	60,883	49,221
88 (rwd)	404	459	369	773	5,445	4,113
Olds 98	2,311	2,698	2,262	4,573	30,370	19,367
Toronado	0	341	350	350	3,119	3,801
Pontiac Total	16,082	17,168	16,747	32,829	190,279	154,807
Acadian*	0	385	0	0	3,217	0
Fiero	1,175	1,576	1,171	2,346	17,168	7,644
1000	0	945	0	0	8,286	0
Firebird	2,343	2,655	1,055	3,398	28,203	16,746
2000 Sunbird	3,005	3,083	2,964	5,969	31,033	25,211
Grand Am	3,876	4,807	5,760	9,636	46,844	53,035
6000	2,210	3,717	2,290	4,490	35,119	17,823
Bonneville	3,158	0	3,150	6,308	0	31,758
Safari/Parisienne	315	0	357	682	20,409	2,590
HONDA	7,315	3,505	6,707	14,022	38,351	70,206
Civic	1,845	0	1,998	3,843	0	26,968
Accord	5,470	3,505	4,709	10,179	38,351	43,238
NISSAN	2,920	1,741	2,968	5,888	19,598	29,180
NUMMI	4,000	3,250	4,067	8,067	27,730	40,687
Corolla	3,250	0	824	4,074	0	10,751
Nova	750	3,250	3,243	3,993	27,730	29,936
VOLKSWAGEN	1,950	1,980	2,030	3,980	18,383	15,925
Golf/GTI	1,750	1,980	1,780	3,530	18,383	13,975
Jetta	200	0	250	450	0	1,950
Total Cars, U.S.	167,942	172,348	173,596	341,538	1,812,163	1,675,633
Total Cars, Canada	17,820	24,217	17,485	35,305	226,280	189,064
N. American Cars	185,762	196,565	191,081	376,843	2,038,443	1,864,697
N. American Trucks	97,740	96,039	98,217	195,957	944,399	946,948
North American Cars and Trucks	283,502	292,604	289,298	572,800	2,982,842	2,811,645

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Week's car production falls 3%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production of 167,942 was 3.26 percent below the previous week's 173,596 and 2.56 percent below the year-ago week's 172,348.

So far this year, 1,675,633 cars have been built, 7.53 percent below the 1,812,163 completed last year at this point.

Last week's scheduled output was split this way: General Motors, 52.91 percent; Ford Motor Co., 26.43 percent; Chrysler Motors, 10.54 percent; Honda of America Manufacturing Inc., 4.36 percent; New United Motor Manufacturing Inc., 2.38 percent; Nissan Motor Manufacturing Co., U.S.A., 1.74 percent; Volkswagen of America, 1.16 percent; and American Motors, 0.48 percent.

GM's Arlington, Texas, plant is idle this week (March 16) for inventory adjustment, affecting 2,000 workers. The plant is scheduled to resume production March 30.

The GM Detroit-Hamtramck plant resumed output today (March 16). The plant was down last week for inventory adjustment.

GM's Norwood, Ohio, plant remains idle this week due to a material shortage. The plant is expected to resume production March 23.

Ford slated Saturday (March 14) overtime at its Lorain, Ohio, plant. All Ford car plants are scheduled for daily overtime this week.

Chrysler's Newark, Del.; Sterling Heights, Mich.; and Detroit plants were slated for Saturday overtime.

The same plants are scheduled for daily overtime this week.

Saab reports 10th year of increasing profitability

LINKOPING, Sweden — Saab-Scania AB reported its 10th consecutive year of increased sales and earnings.

Sales increased 11 percent in 1986 to the equivalent of $4.9 billion, based on average exchange rates during 1986. Pre-tax income was up 15 percent at $463 million.

Saab-Scania sales outside Sweden increased 15 percent to $3.3 billion, accounting for 66 percent of the company's total sales.

Saab car sales rose 17 percent to $2.0 billion, despite considerably lower U.S. dollar exchange rates. Income on car sales amounted to $132 million.

Saab sales increased 16 percent to 126,988 units, of which 77 percent were delivered outside Sweden. It was Saab's highest-ever volume.

Car sales increased in all major markets, but the United States remained the single largest market for Saab cars in 1986 with a total of 47,414 sales.

Scania sales climbed 12 percent to $2.1 billion while pre-tax income rose 29 percent to $333 million. Scania delivered 28,421 trucks and buses, up 10 percent from 1985, its highest number in history. Sales outside Sweden accounted for 91 percent of total sales.

The Scania share of the western European truck market remained at 13 percent while market shares in many other markets, including Argentina and Australia, increased.

Booked orders for Scania increased 19 percent and include an order for more than 1,700 all-wheel-drive trucks for the Norwegian Armed Forces and for 600 cross-country trucks for the Indian Army. The order backlog at year-end was 45 percent higher than at year-end 1985.

Saab aircraft sales totaled $460 million in 1986. The Combitech group had lower sales of $182 million, and the Enertech group had sales of $177 million, a 15 percent decline.

For 1986, Saab-Scania's capital expenditures amounted to $337 million, 87 percent of which was invested in Sweden. Research and development costs reached $366 million, about 7 percent of sales. The company had 48,980 employees at year-end.

Saab-Scania also announced that the German auto publication Auto Motor Und Sport, has named the Saab 9000 Turbo the Best Imported Car of 1987 in the upper-medium price class. For the previous six years, the Saab 900 Turbo had won the award.

CANADIAN CAR	Week Ended March 14, 1987	Week Ended March 15, 1986	Week Ended March 7, 1987	March to Date	Jan. 1 to March 15, 1986	Jan. 1 to March 14, 1987
AMERICAN MOTORS	150	74	160	310	1,346	1,536
FORD MOTOR	11,645	11,356	11,400	23,045	116,140	111,875
GENERAL MOTORS	5,600	12,562	5,523	11,123	106,528	72,086
HONDA	200	0	177	377	0	1,317
VOLVO	225	225	225	450	2,266	2,250
Total Cars, Canada	17,820	24,217	17,485	35,305	226,280	189,064

U.S. TRUCK☆	Week Ended March 14, 1987	Week Ended March 15, 1986	Week Ended March 7, 1987	March to Date	Jan. 1 to March 15, 1986	Jan. 1 to March 14, 1987
CHEVROLET	23,306	26,998	23,461	46,767	258,792	225,650
DODGE	5,200	0	5,431	10,631	0	49,693
FORD	33,071	30,895	33,561	66,632	308,936	326,519
GMC	8,015	7,665	7,705	15,720	77,637	77,657
NAVISTAR	1,612	1,605	1,595	3,207	15,519	15,547
JEEP	4,500	4,314	4,531	9,031	47,506	44,942
NISSAN	1,730	2,132	1,790	3,520	14,262	17,198
AM GENERAL*	50	50	50	100	522	500
MISCELLANEOUS*	2,300	2,400	2,300	4,600	23,800	23,000
Total Trucks, U.S.	79,784	76,059	80,424	160,208	746,974	780,706

CANADIAN TRUCK	Week Ended March 14, 1987	Week Ended March 15, 1986	Week Ended March 7, 1987	March to Date	Jan. 1 to March 15, 1986	Jan. 1 to March 14, 1987
AMERICAN MOTORS	625	557	646	1,271	925	6,301
CHRYSLER	8,494	9,412	9,103	17,597	94,336	88,606
FORD	3,648	3,595	3,064	6,712	36,505	33,164
GENERAL MOTORS	4,989	6,204	4,784	9,773	63,734	36,187
NAVISTAR	200	212	196	396	1,925	1,984
Total Trucks, Canada	17,956	19,980	17,793	35,749	197,425	166,242
N. American Trucks	97,740	96,039	98,217	195,957	852,667	946,948

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Trucks top car output in Canada

Last week's scheduled Canadian auto production totaled 17,820, 1.92 percent more than the previous week's 17,485 but 26.42 percent below the year-ago week's 24,217.

So far this year, 189,064 cars have been assembled, 16.45 percent less than the 226,280 completed last year at this point.

Truckmakers' estimated output of 17,956 units last week was slightly higher (0.92 percent) than the prior week's 17,793 but was 10.13 percent below the year-ago week's 19,980.

Year-to-date, 166,242 trucks have been built, 15.79 percent below the 197,425 assembled last year at this time.

Truck build holds steady

Domestic truckmakers' scheduled production of 79,784 units last week, 0.80 percent below the previous week's 80,424 but 4.90 percent above the year-ago week's 76,059.

Holding a lead over 1986, truckmakers' year-to-date total of 780,706 units is 4.52 percent more than the 746,974 completed last year at this time.

Saturday (March 14) overtime was scheduled at Ford Motor Co.'s Twin Cities, Minn.; and Norfolk, Va., plants.

All Ford truck plants are slated for daily overtime this week (March 16).

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

First Festivas arrive in U.S.

SAN FRANCISCO — The first shipment of 300 Korean-built Ford Festiva subcompact cars arrived in late February at the Port of Benecia.

The 1988 Festiva is a Mazda design and is built for Ford by South Korea's Kia Motors. It will go on sale in May at dealerships in California, Washington, Oregon, Alaska and Hawaii.

Following West Coast introduction, Festiva will go on sale in the Northeast in June, the Southeast in July and the rest of the United States by fall.

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3/24/87

AMC promos to give away 1,000 units

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

American Motors will give away at least 1,000 vehicles in the next 12 months through various promotions, including 18 Jeep giveaway programs that will actually make money.

"Promoters are always contacting vehicle manufacturers about joint promotions and most companies offer vehicles for free," said Dan Gliniecki, national Jeep sales/merchandising promotion manager.

"However, because of the strength of the Jeep name, I can get money for the vehicles," Gliniecki said. "People will pay a premium to promote Jeep."

He said Jeep has 18 promotions scheduled, and will give away a minimum of 750 vehicles in the next year. AMC will give away another 250 Renault cars, he said.

While the programs were finalized and in place before the pending acquisition by Chrysler Corp., the starting dates of some are well after the sale is likely to be final.

Those promotions will include product tie-ins with large, well-known companies like Coca-Cola, Pennzoil and USA Today.

One promotion, with paper products maker Georgia-Pacific, will vie with a Chevrolet/Procter & Gamble program. The Chevrolet program will give away 750 cars and trucks as part of the launch for Corsica and Beretta cars and the GMT-400 truck. That program involves seven P&G brands, including two paper brands, Bounty towels and Charmin tissue.

The AMC program begins later this month and runs through Sept. 30. It will put game cards in 30 million packages of Coronet paper products. Participants win by collecting cards, or instantly by checking a "lucky number" against a list at the local AMC-Jeep-Renault dealership.

Prizes include three 1988 Renault GTA cars and three 1988 Jeep Cherokees, plus smaller items like cameras and key chains.

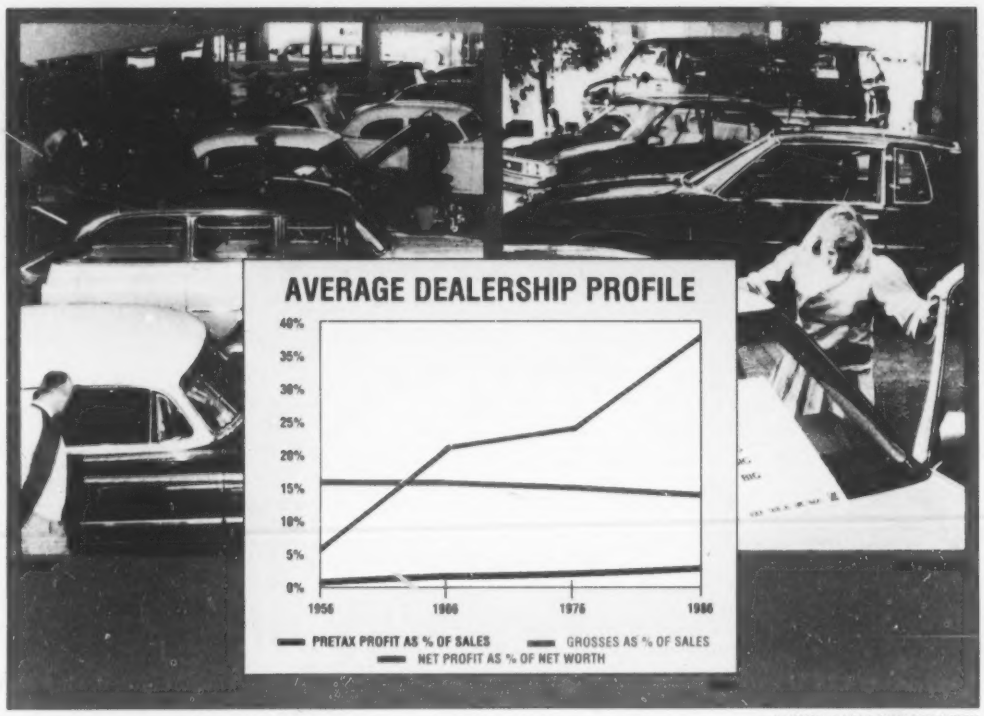
An executive of the agency handling the Georgia-Pacific promotion said the Coronet program was in place before the Chevrolet/Procter & Gamble plans surfaced.

Gliniecki said Georgia-Pacific is "participating" in the cost of the vehicles. It is a national program and there is no dealer participation cost.

"The whole purpose is to build showroom floor traffic," Gliniecki said. "If one percent of the people come in to check for the lucky number, that's another 300,000 people in our dealerships. A 10 percent return would be three million people."

There will be no special proce-

see AMC, page 57



AUTOMOTIVE NEWS CHARLOTTE WINTER

BIG DEALS: *NADA finds megadealer trend in 30-year volume, finance study*

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Statistics compiled by the National Automobile Dealers Association show that size continues to be a crucial profit factor in the evolution of the U.S.new-car dealership.

A recent NADA study analyzing 30-year trends shows why little dealers want to be big dealers, and why big dealers want to be mega-dealers: The big ones get richer, and the smaller ones don't.

"In 1956, dealerships selling more than 750 new units a year were a rarity," an NADA document said. "Today, they account for 20 percent of the total dealership population and for well over half of total dealership sales in the nation."

The average dealership sold 640 new cars and trucks last year, nearly four times as many as the average dealership sold in 1956. Some of that increase resulted from dealership attrition.

Automotive News dealership census figures show that at the end of 1956 there were 39,138 new-car dealerships (domestic and import combined) in the U.S. By the end of 1986, that number had dwindled to 25,156.

U.S. new-car dealerships that sold more than 750 new vehicles in 1986 averaged total sales of $30 million.

The impact of the trend toward megadealers is even clearer: Last year there were some 500 dealer principals whose sales exceeded $100 million.

Nineteen percent of all dealers had a financial interest in more than one dealership. In the category of dealerships with more than 750 new-vehicle sales, about one-third have a stake in other stores.

In 1986, total sales at the average dealership were a record $11,248,628, up 7.4 percent from $10,476,-167 in 1985, and 15 times greater than the 1956 per-dealership average of $738,272.

Although those figures are in nominal dollars and

see DEALERS, page 62

Daihatsu strategy: big start, all duals

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LONG BEACH, Calif. — With an allocation of 11,498 cars for its first year and no guarantee of more the next, Daihatsu America is taking an unconventional U.S. introduction strategy.

It will spread its limited number of Charade three-doors over 150 to 200 initial dealers. These will be located in western and southern states ranging from the West Coast to Mississippi and Alabama, and start opening in October or November.

All start-up dealers will be duals, with no initial commitment to build exclusive facilities.

And, there will be no dealer ad associations to pool dealer and factory funds on a market-by-market basis.

The strategy contrasts with current conventional wisdom of relatively few dealers. Each sells a high volume in large, stand-alone showrooms and spends at least $200 per car through dealer advertising associations.

The Daihatsu strategy was outlined by Sota "John" Fukunaka, president and chief executive officer, and C.R. "Dick" Brown, vice president and chief operating officer, in an interview at Daihatsu's temporary offices near the Long Beach port.

Daihatsu faces several potential problems, including:

- It is the ninth and last Japanese car maker to attempt the U.S. market.

see DAIHATSU, page 57

ACURA

U.S. output slated, may be exported

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

PHOENIX, Ariz. — Honda will assemble at least one model of its Acura lineup in North America within three years and may eventually export U.S.-built Legends to Japan.

"When we reach 100,000 units of an individual model of Acura, that will justify producing it here," Tetsuo Chino, American Honda president, said in an interview during the press introduction of the Acura Legend Coupe, Acura's new image car.

"I'm not sure whether Integra or Legend will be first assembled here," he said. Sales now are evenly split between the two series.

Legend Coupe: starts at $22,458

Chino suggested that Honda could be the first Japanese automaker to build cars in North America and export them to Japan.

A recommendation on expanding North American production is due at the end of 1987. The decision will take two months after that, Chino said.

In any case, he said, "Honda will not increase U.S. imports beyond

see ACURA, page 58

VW stable despite woes, analysts say

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The widening Volkswagen foreign exchange scandal has led to the firing of two key financial executives and could delay a planned sale of VW stock by the West German government.

The alleged $259 million (480 million German mark) fraud, now the subject of a broad criminal investigation in West Germany, also caused VW's stock price to fall sharply on the Frankfurt exchange and prompted criticism of Volkswagen management.

But despite all the sound and

see VW, page 62

Lotus strengthens staff to handle growth — Page 2
Chrysler won't sell Renault competitors — Page 3
Compact trucks have sports-car flair — Page 4

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ROADBLOCK

$87 billion in highway funds jeopardize hike in speed limit

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — President Reagan's promise to veto a highway funding bill passed last week by both the House and Senate greatly clouds the chances of increasing the speed limit on rural interstate highways.

Last week Congress approved a six-year, $87.5 billion highway and mass-transit package that would have given states the option of increasing to 65 mph the speed limit on an estimated 33,910 miles of rural interstate highways. The bill also provides funds to complete the 42,500-mile interstate system that was begun in 1956 under the Eisenhower administration.

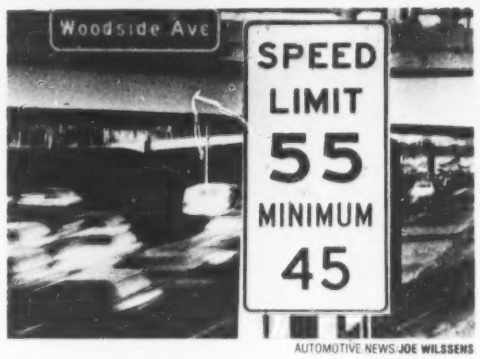
President Reagan has said he supports the right of states to set their own speed limits, but he is unhappy about overly-generous funding in the bill and the way money is distributed to the states.

The White House and the Congress are expected to reach a compromise on the legislation fairly quickly because most states are out of federal highway money and the spring construction season has begun in most parts of the country.

The compromise may not include an increase in speed limits, however, since the House approved of that provision by a narrow 217-206.

If states are given the right to set higher speed limits, the measure is certain to touch-off a highway safety debate featuring vehicle manufacturers, truckers, insurers, and public interest groups.

Vehicle manufacturers are expected to ask states without mandatory safety belt-use laws to enact them along with any increase in speed limits.



AUTOMOTIVE NEWS JOE WILSSENS

One reason the makers want mandatory-belt-use laws nationwide is that state laws would allow the Department of Transportation to withdraw its requirement that all vehicles be fitted with passive restraints by the 1990 model year.

The American Trucking Associations, the Insurance Institute for Highway Safety, the Center for Auto Safety and Public Citizen oppose higher speeds. They will ask state legislatures to reject a 65-mph maximum speed limit.

Those groups face grass-roots public hostility to the 55-mph speed limit in many states, however. It is almost certain that legislatures in many Western states will raise their speed limits as soon as possible.

ATA believes the current national speed limit of 55 mph is safer and results in more-economical truck operation. Some of the nation's larger truck fleets have also invested in equipment designed for a maximum speed of about 62 mph. Higher speed limits could put those carriers at a competitive disadvantage in winning freight contracts from owner-operators using older vehicles.

Chrysler-Renault proposal detailed

By Mary Connelly and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Chrysler Corp. has agreed to sell no cars that compete with the Renault Medallion through the 1990 model year, and none competitive with Premier through 1992, according to documents filed by Chrysler with the Securities and Exchange Commission.

The letter of intent sent by Chrysler to Renault includes a provision that commits Renault to providing four-wheel-drive systems and V-6 engines for the Medallion to Chrysler unless Chrysler does not achieve unspecified sales levels.

The price of the Medallion will be raised on July 1, and price hikes thereafter will be in line with prices of all cars in the Medallion size class.

If Chrysler does not sell at least 300,000 Premiers equipped with Renault componentry by the end of 1992, it will pay Renault a penalty of $1,300 per car for the shortfall.

Chrysler will continue to purchase V-6 engines, a four-speed automatic transmission, a manual transmissions and interior componentry for the Canadian-built Premier from Renault. In addition, Chrysler will be allowed to sell versions of the Premier without Renault componentry provided the company first offers to its dealers cars equipped with Renault parts.

If Chrysler surpasses the 300,000 mark, Renault will reduce its component prices to Chrysler by 21 percent. At the 750,000 mark or the end of 1992, whichever comes first, Chrysler will have a paid-up license to manufacture the Premier in North America, according to the document.

Meanwhile, the proposed Renault-Chrysler is also affecting Chrysler's own products. Chrysler Motors is expected to update the technology on its Omni/Horizon America subcompacts now that their lives have been extended by Chrysler's proposed purchase of American Motors.

Among the updates planned are fuel injection and passive restraints.

Following announcement of Chrysler's bid to acquire AMC,

see CHRYSLER, page 57

Union set to strike GM Pontiac truck plant

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

UAW Local 594, representing about 9,000 workers at General Motors' Truck & Bus complex in Pontiac, has notified GM it will strike at noon Thursday (March 26).

The issues in the dispute have stirred union anger in plants nationwide. Some of those issues surfaced at two other Michigan locals in Livonia and Flint, last week.

Besides subcontracting and health and safety problems, many of Local 594's grievances — including line speedups and eliminating classifications — stem from the team method of production.

Local 594 members said GM has imposed the team method on Plant 6 of the Pontiac complex, ignoring the bargaining process.

Many locals have incorporated the team method and classification reductions into agreements designed to keep plants open.

Other local union leaders, including Donny G. Douglas, president of Local 594, and groups of rank and file workers, are now calling for an end to what they call this "whipsawing" by the corporation.

Inland Division's plant in Livonia, is viewed as the latest example of GM pressure for new work methods. Workers at the plant voted last Friday on management proposals to reduce classifications and implement the team concept. The results of the vote were not known at presstime.

Douglas said that GM also has been asking Local 594 to split seniority rights in its three divisions. That would block workers from transferring from one plant to another — an important issue at layoff time, when high-seniority workers can demand the jobs held by those with less seniority.

Last week, Fred Myers, president of Local 599, which represents the Buick City complex in Flint, said GM also is trying to separate a 2,500-member unit from that 15,000-member local.

About 1,000 of the almost 3,000 grievances in the Pontiac dispute were filed in Plant 6, which was recently modernized to produce the new C/K full-size pickup. The complex also produces medium and heavy-duty trucks and coaches and the S-truck.

A GM Truck & Bus spokeswoman said that the company is continuing to meet with local and international negotiators. "We hope a settlement can be reached without a strike," she said.

Douglas said that eliminating the traditional classification structure leaves workers vulnerable to arbitrary actions by management and deprives them of rights to move into jobs they prefer.

Local members said that GM's classification cuts have resulted in misclassifying workers transferring from a Flint Truck & Bus plant — from mechanic to assembler, for instance — and in requiring assemblers to perform maintenance work.

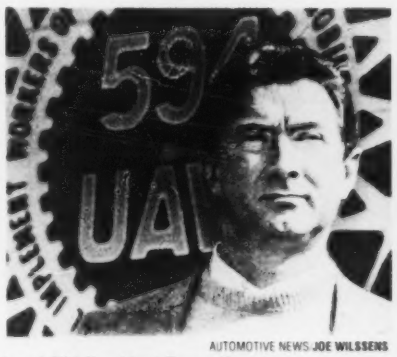
Some teams also have set line speeds unacceptable to other workers, Douglas said.

GM approached the Pontiac local months ago about opening its contract, which expires in the fall, but the local refused.

At that time, it was rumored GM would move medium-duty truck production out of Pontiac to Janesville, Wis., which had approved a new-style labor agreement. GM subsequently announced it would do so, at a possible cost of 2,000 Pontiac jobs.

GM previously had announced the sale of its coach and heavy-duty truck operations.

Michigan Commerce Director Doug Ross publicly criticized Douglas for not responding to GM's overtures and trying to keep medium-duty truck production at the plant. But Douglas said he maintained even before the Janesville local accepted a new contract that GM intended the medium-duty truck for Janesville.



AUTOMOTIVE NEWS JOE WILSSENS
Local 594 President Donny Douglas

Ralph Isenberg, a UAW trainer, said that Document 85 of the national agreement made possible such whipsawing. "It backfired on us. The document's intent was to give locals flexibility" in bargaining work rules and wages with GM, Isenberg said.

Harley Shaiken, professor of work and technology at the University of California in San Diego, said that several GM locals approved new-style agreements under the "economic pressure" of believing their plants would otherwise be closed.

Shaiken said he expects a backlash as other locals — such as 594 — negotiate their contracts this fall.

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61st year—No. 5172

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Price of U.S.-built cars seen averaging $13,800 in '95

ANN ARBOR, Mich. — A survey of automotive marketing executives and consultants forecasts that the average price of U.S.-built automobiles will climb to $13,800 by 1995.

The average price of a U.S.-built car in 1985 was $11,600. Preliminary estimates from the U.S. Department of Congress indicate the average price last year was $12,-621.

The poll of more than 250 individuals was directed by University of Michigan engineering professor David E. Cole.

By 1995, the average foreign model will be about $900 more expensive than U.S. brands, according to the survey. Last year, imports averaged an estimated $540 more than domestics.

The trend toward smaller cars with more luxury options will continue through 1995, according to the survey participants. Downsizing will be far more modest than predicted in earlier forecasts.

Average ownership of new models will extend from four years to five, and imports will attract a wider share of the subcompact and compact market.

The survey is the fourth in a series of 10-year forecasts on the auto industry that began in 1979 at the University of Michigan Transportation Research Institute.

"The Delphi IV Forecast and Analysis of the U.S. Automotive Industry through 1995" examines marketing, technology and materials in the auto industry. It is being released in three volumes. The current volume examines the future market. The technology and materials segments will be issued within two months.

The marketing report said that to remain competitive, U.S. automakers should resist the temptation to extend their production capacity during the good years so they will have a low fixed-cost burden during weak sales years.

Other predictions included:

- The retail price of unleaded gasoline and diesel fuel will rise to an average of $1.60 in 2000, assuming no serious international energy problems.
- Reliability was seen as the No. 1 consumer concern.
- Car sales, which approached 11.5 million last year, will be 11.4 million in 1990 and 11.8 million in 1995. Sales of imported cars, which totaled 3.2 million units and accounted for 28 percent of industry sales last year, will total 3.1 million units, or 27 percent of industry sales, in 1990 and 3.4 million units, or 29 percent, in 1995.
- About 12 percent of total car sales are forecast to be supplied from foreign companies operating in the United States in 1990. Less than 4 percent were produced by these makers last year. The share could rise to about 14 percent in 1995.

Correction

A story in the March 16 issue of Automotive News saying that the American Motors board would accept the Chrysler Corp. acquisition within 60 days was incorrectly attributed to AMC Director Roy D. Chapin Jr. It should have been attributed to another AMC director, who spoke on the condition of anonymity.

TRUCK INDUSTRY

February truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	49,206						49,206	39,678
	YR	87,031						87,031	80,013
JEEP	MO	14,532						14,532	16,023
	YR	31,023						31,023	33,360
TOYOTA	MO	20,437						20,437	28,519
	YR	38,840						38,840	55,408
NISSAN	MO	18,914						18,914	15,615
	YR	34,808						34,808	30,404
MAZDA	MO	8,558						8,558	9,693
	YR	16,917						16,917	18,341
ISUZU	MO	7,236						7,236	6,876
	YR	13,084						13,084	12,467
MITSUBISHI	MO	4,421						4,421	2,018
	YR	7,326						7,326	3,994
SUZUKI	MO	6,672						6,672	2,741
	YR	12,334						12,334	5,606
FORD	MO	108,135			787	2,109	822	111,853	96,058
	YR	188,755			1,600	3,849	1,490	195,694	194,715
FREIGHTLINER	MO						1,584	1,584	1,198
	YR						2,777	2,777	2,435
CHEVROLET	MO	90,352		12	594	581	31	91,570	96,866
	YR	156,106		21	1,108	1,081	58	158,374	185,885
GMC	MO	22,987		597	343	1,925	727	26,579	27,419
	YR	41,315		1,536	676	3,737	1,386	48,650	52,940
KENWORTH	MO						1,070	1,070	700
	YR						1,970	1,970	1,247
MACK	MO				233	224	1,141	1,598	863
	YR				474	473	2,023	2,970	3,182
MERCEDES	MO				141	225		366	240
	YR				245	356		601	663
NAVISTAR	MO			1	24	698	2,012	1,773	4,508	4,312
	YR			1	37	1,341	4,513	4,081	9,973	10,133
*PETERBILT	MO						580	580	639
	YR						1,173	1,173	1,224
VOLVO	MO					125	796	921	875
	YR					237	1,430	1,667	1,678
HINO	MO				27	25	113	165	0
	YR				46	59	161	266	0
NISSAN DIESEL	MO				43	24	65	132	0
	YR				64	63	121	248	0
ISUZU TRUCK	MO	312			8	16		336	0
	YR	654			14	24		692	0
MITSUBISHI FUSO	MO	17				7	11	35	0
	YR	17				13	30	60	0
SCANIA	MO						7	7	0
	YR						30	30	0
OTHER DOMESTICS	MO					11	54	65	100
	YR					11	120	131	180
GRAND TOTAL	MO	351,779		1	711	2,879	7,390	8,585	371,345	350,433
	YR	628,210		1	1,718	5,614	14,556	16,538	666,639	693,875
1986 YR to DATE		656,421		0	697	6,271	14,300	16,186		

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.

Lease firms increase despite major buyouts

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Despite numerous acquisitions and mergers, the number of truck leasing companies is rising.

That's the report from John Simourian, president of Lily Truck Leasing in Boston and outgoing president of the Truck Rental and Leasing Association.

Last year, Ryder Systems, the industry's largest company, bought Saunders, the third-largest. And Hertz-Penske, the second-largest lessor, bought Leaseway, the fourth-largest.

Still, in 1986 several dozen other companies emerged, some brand new, with services fine-tuned to particular areas of expertise and geographical locations, Simourian said at TRALA's meeting here.

TRALA listed 27 new companies on its membership roll last year. It now has 183 members.

Michael Galardi, vice president of Temple, Barker & Sloane in Boston, who surveyed TRALA members' progress and attitudes, reported that:

- Insurance costs continue to be the top concern, although the increases have slowed dramatically to less than 20 percent in 1987.
- Most members believe the length of lease terms will continue to increase.
- Leasing prices are expected to rise and generate better returns for leasing companies in the next 18 to 24 months. That is expected to occur because of consolidations and elimination of excess capacity in full-service truck leasing.
- Members expect the acquisition frenzy to continue.
- Last year turned out to be better than anticipated.

"This year, 22 percent (of respondents) reported that 1986 turned out 'much better' than expected," Simourian said. An equal number said it was somewhat better than expected.

- Fleet sizes grew for both small and large leasing companies, though they increased at a faster rate among the larger firms.

Roughly one-third of TRALA's leasing company members, with revenues (excluding fuel sales) of more than $5 million, are classified as large. Those with less than $5 million are classified as small.

Generally, the average company's fleet grew about 7.5 percent in 1986. Among small companies, 22 percent reported their fleet size increased by 15 percent or more. Among large companies, 42 percent reported an increase of 15 percent or more in fleet size.

- The overall financial condition of member companies continued to improve, but the improvement was most significant for the largest companies.

Only 16 percent of small companies reported their financial condition improved significantly, while 33 percent of the large companies reported a significant improvement.

- Quality of service was rated more critical than price by customers in selecting leasing firms.

Rockwell purchases Iveco share; now owns all of Italian axle firm

TROY, Mich. — Rockwell International Corp. has acquired the remaining 40 percent equity in Rockwell CVC in Cameri, Italy, from Iveco Fiat, S.p.A., a subsidiary of Iveco B.V., the Fiat Group's truck operation.

Arthur P. Ronan, president of Rockwell's Automotive Operations, said the purchase of Iveco's minority interest would not change the management, engineering, manufacturing or marketing structure of the company.

Ronan said the purchase underscores "Rockwell's commitment to being an independent supplier of technologically advanced drive axles to the European truck industry."

Iveco's partnership, he added, was highly valuable, particularly in the start-up and launch of Rockwell's single-reduction drive axles in Europe.

Giorgio Garuzzo, managing director of Iveco, said Rockwell CVC will continue to be his company's major supplier of rear axles. It signed a new supply agreement to ensure the continuity of its purchases of axles it has been buying from Rockwell CVC.

Rockwell CVC, formed in 1981 as a joint venture between Rockwell and Iveco, produces a broad range of Rockwell-designed single-reduction hypoid drive axles for the European commercial-vehicle market.

Ryder Truck Rental to emphasize safety

MIAMI — Ryder Truck Rental has made safety its keynote concern this year.

Donald W. Estes, Ryder president, outlined some of the company's plans at its national District Safety Managers' Conference here.

RTR plans to develop individual safety programs geared to the specific needs of each RTR location. The company also is forming an RTR Safety Task Force to oversee its safety program.

Mack to sell notes linked to its assets

CRAIN NEWS SERVICE

ALLENTOWN, Pa. — Mack Trucks Inc. plans to launch a public offering of securities backed by heavy-duty truck receivables later this month.

It will be the first such offering by Mack and a first for the truck industry.

Mack Trucks Receivables Corp. (TRUCS) filed a shelf registration with the Securities and Exchange Commission in late February to issue $450 million of asset-backed notes. The company was formed for the offering and is a special-purpose subsidiary of Mack Financial Corp. which, in turn, is a subsidiary of Mack Trucks.

A company spokesman said Mack's first TRUCS offering likely will be about $250 million and is expected to be on the market in late March. If the market responds well, Mack Trucks plans at least two more offerings of $100 million each.

The company said it making the offering as a way to lower its debt. Mack Truck Receivables will use the proceeds to buy the heavy-duty truck loans from Mack Financial, which will use the money to lower its debt. The company now carries about $360 million in intermediate and long-term debt on its books with an average interest rate of 10.2 percent.

General Motors and some banks, including Marine Midland Bank, have made similar public as well as private placement offerings that use car loans as receivables. Banks also have used credit-card receivables.

GM and others expect a secondary market for automobile receivables to develop, much like the secondary mortgage market. Selling asset-backed receivables — such as car loans — will provide another source of funds to tap and ultimately should lower the cost of car loans to consumers, the company said.

Shearson Lehman Brothers Inc., New York, will handle the Mack offering.

GM workers sue UAW and local

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

A group of General Motors workers who are faced with the loss of their jobs have filed a $2.5 billion suit against UAW Local 15 and the international union.

The workers claim they were not allowed to vote on a contract GM offered the local in 1985 that could have kept two Detroit plants open. The offer included a $200 million investment by GM in the Fleetwood plant, which would have merged with the Clark Avenue plant. Both are slated to close in December.

Harold Dunne, attorney for the workers, said the class-action suit was filed in U.S. District Court in Detroit on behalf of 3,000 employees at the Fleetwood plant. Local 15 represents that plant.

The suit charges breach of duty of fair representation and denial of rights under federal law. The amount of the suit represents lost wages of employees and punitive damages.

The new contract could have resulted in the Fleetwood and Clark Avenue plants remaining open for many years, the workers said.

Automotive News reported on June 10, 1985, that former UAW Regional Director Frank Runnels said talks between the union and Fleetwood management on a concessions agreement broke off because management failed to offer the union guarantees that a new facility would be built on the Fleetwood site.

A spokesman for the international union said it had no comment at this time.

Dan Martin, a Local 15 committeeman, and Leland Stein, a former union official, are leading the group that filed the suit.

According to Joseph Wilson, president of UAW Local 15, the suit stems from the lack of legislation imposing limits and "fair standards" on corporations that want to close plants.

Wilson said the suit is also the result of the company whipsawing the local since 1980 and the international union failing to stop the practice.

Wilson said that an example of whipsawing is GM approaching locals whose contracts have not yet expired and asking for new agreements. He said that GM approached his local in 1985, though its contract runs until this fall.

"They go to one local union and say, 'Let's make a new agreement, and we might do this and that.' Then they go to another local with the same talk. The final result is the company puts work wherever they want," Wilson said.

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IMPORT SALES BY MODEL

	Feb. 1987	Feb. 1986	2 Mos. 1987	2 Mos. 1986
ACURA	7,056	0	12,723	0
Integra	4,428	0	7,961	0
Legend	2,628	0	4,762	0
ALFA ROMEO	597	297	1,108	701
AUDI	1,972	4,664	4,044	9,777
4000S	369	996	720	1,992
4000CS Quattro	161	355	368	751
5000S	969	2,361	2,026	5,040
5000CS Turbo	170	134	345	341
5000CS Turbo Quattro	221	582	406	1,179
Coupe GT	82	236	179	474
BMW	6,560	6,502	11,573	12,546
318i	3	215	4	483
524 TD	7	206	12	430
325	4,797	4,005	8,267	7,539
528e	790	838	1,576	1,656
535i/535iS	512	492	888	990
635CSI	151	214	293	444
735/L-7	255	532	486	1,004
M5	0	0	1	0
M6	45	0	46	0
CHEVROLET	8,815	10,198	18,743	20,179
Spectrum	5,205	5,104	11,261	9,867
Sprint	3,610	5,094	7,482	10,312
CHRYSLER/MITSUBISHI	9,690	11,231	18,393	23,102
Colt	5,819	8,326	11,838	17,295
Conquest	1,073	446	1,721	895
Vista	2,798	2,459	4,834	4,912
HONDA	21,797	33,806	42,279	70,824
Civic/CRX	8,728	18,568	18,462	40,231
Accord	7,228	9,114	13,933	17,904
Prelude	5,841	6,124	9,884	12,689
HYUNDAI	18,656	588	36,662	588
ISUZU	1,622	4,129	3,572	7,013
I-Mark	1,124	1,674	2,139	3,411
Impulse	498	2,455	1,433	3,602
JAGUAR	1,466	1,673	2,523	2,684
XJ6	1,062	1,356	1,882	2,147
XJS	404	317	641	537
MASERATI	60	137	120	262
MAZDA	10,049	19,448	21,092	38,441
323	4,043	6,627	8,015	13,696
626	3,857	8,390	8,415	16,455
RX-7	2,149	4,431	4,662	8,290
MERCEDES BENZ	8,134	7,526	14,258	15,218
190	1,781	1,967	3,138	3,855
260E	413	0	669	0
300	2,172	2,195	3,854	4,571
300SDL Turbo	679	23	1,127	62
420SEL	1,202	1,517	2,110	3,061
560SEL	622	739	1,088	1,349
560SL	1,054	822	1,908	1,695
560SEC	165	196	280	474
Tourist	46	67	84	151
MERKUR	486	1,288	896	2,363
MITSUBISHI	5,314	4,758	7,640	8,848
Starion	613	606	847	1,099
Cordia	452	512	632	924
Tredia	469	996	663	1,884
Mirage	1,596	1,156	2,324	2,298
Galant	1,504	1,486	2,214	2,643
Van/Wagon	680	0	960	0
NISSAN	41,661	30,711	77,661	66,048
Sentra	13,022	6,348	23,681	15,684
Pulsar	6,039	3,659	11,508	7,837
Stanza	6,306	3,843	11,649	8,824
Maxima	7,991	7,886	15,216	17,365
200SX	3,510	4,436	6,743	8,819
300ZX	4,457	4,294	8,261	8,995
Hawaii	336	243	603	524
PEUGEOT	639	1,154	1,558	2,113
PORSCHE	1,815	2,129	3,469	3,862
924S	178	0	309	0
944	420	1,325	835	1,710
944S	241	0	457	0
944 Turbo	221	0	417	718
911 Coupe	323	605	617	642
911 Turbo	87	0	182	182
911 Cabriolet	183	0	338	237
928S	162	199	334	373
RENAULT	0	307	0	657
18i	0	168	0	318
Fuego	0	139	0	339
SAAB	3,265	3,284	6,946	6,448
900	633	931	1,419	1,957
900S	995	957	2,190	1,740
900 Turbo	618	567	1,263	1,153
9000S	321	0	321	0
9000 Turbo	681	776	1,693	1,510
Tourist	17	53	60	88
STERLING	1,043	0	1,043	0
SUBARU	12,561	14,891	21,359	31,631
Hatchback	610	1,354	1,327	2,935
3-Door	999	674	1,737	970
4-Door Sedan	3,036	4,504	5,099	9,650
XT	1,700	1,936	2,689	3,962
Station Wagon	5,144	6,196	9,054	13,654
Brat	214	227	478	460
Justy	856	0	1,178	0
TOYOTA	34,713	40,012	64,015	85,297
Corolla	6,437	9,148	11,596	20,036
Tercel	5,602	5,457	9,975	11,168
Celica	5,426	8,059	9,996	17,302
Supra	2,321	366	4,363	777
Camry	9,887	9,197	18,928	20,222
Cressida	1,883	2,258	3,374	4,546
Land Cruiser	261	318	589	781
Van	1,157	1,541	2,067	3,288
4Runner SR 5	116	607	218	1,121
MR2	1,298	2,604	2,348	4,975
Hawaii	325	457	864	1,081
VOLKSWAGEN	8,349	10,268	13,923	20,773
Cabriolet	875	1,011	1,653	1,871
Jetta	5,083	7,328	8,599	14,957
Vanagon	704	816	1,212	1,597
Quantum	464	574	891	1,244
Scirocco	584	539	1,029	1,104
Fox	539	0	539	0
VOLVO	9,043	9,043	21,662	21,123
240 Series	4,507	4,359	10,606	10,294
740 Series	3,491	3,530	8,519	8,118
760 Series	931	883	2,356	2,044
780	0	0	1	0
Touring	114	271	180	667
YUGO	5,059	1,736	9,233	4,559
IMPORT TOTAL	220,422	219,780	416,999	457,057

Car sales in Canada decline 16%; trucks up 3%

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales in Canada in February were 16.76 percent below the total for the year-ago month.

Canadian dealers delivered 48,153 North American-built cars in February compared to 57,851 in February 1986.

Truck sales totaled 26,822 in February, up 3.06 percent from 26,026 a year earlier.

General Motors, Ford Motor Co., Chrysler Motors and American Motors continued to offer low-interest rates and/or cash rebates on small cars and light trucks to lure Canadian customers into dealer showrooms.

Sales for the first two months of 1987 were off 18.85 percent from the same period in 1986. The two-month total for this year was 85,869, compared to 105,818 in 1986.

Five domestic carmakers showed sales drops on a year-to-year basis. Honda, Canada's sixth automaker, began producing four-door Accord models in its Alliston, Ontario, plant in November 1986. Honda sold 96 Canadian-built cars last month.

MARKET SHARES
February 1987

Cars	
General Motors	51.70%
Ford Motor Co.	28.52%
Chrysler Motors	18.60%
American Motors	.73%
Volvo	.25%
Honda	.20%
Trucks	
General Motors	43.08%
Ford Motor Co.	36.42%
Chrysler Motors	15.32%
Jeep	5.18%

GM showed the biggest drop in February. It sold 24,896 North American cars, down 20.04 percent from 31,139 a year earlier.

A GM spokesman said the corporation offered $750 (Canadian) on its J, A, G and P models and full-sized pickups. The J-A-G car types are the Chevrolet Cavalier, Celebrity and Monte Carlo. The P-car is the Pontiac Fiero. No interest-rate incentives were offered by GM in Canada.

The Pontiac 6000 and the Chevrolet Celebrity were GM's best-selling models in Canada last month.

Ford car sales were off 5.86 percent, slipping to 13,734 from 14,589 in February 1986. Ford enticed Canadian buyers with 3.9 annual-percentage-rate financing on Tempo, Topaz, Mustang and Ranger models. Taurus and Sable were Ford's best-selling models last month with a combined total of 2,464 units.

Chrysler sold 8,956 cars last month compared to 11,080 a year earlier. A Chrysler spokesman said the automaker offered 3.9 percent financing and $600 to $1,500 in cash rebates on a wide range of models. However, sales trailed the year-ago total.

Sales of American Motors and Renault North American-built cars fell to 353 in February, down 59.47 percent from 871 last year. The company offered zero percent financing on all its vehicles until mid-February.

Volvo domestic sales in Canada also fell sharply in February, dropping 31.39 percent from the year-ago month. Volvo sold 118 cars last month compared to 172 a year earlier.

CANADIAN SALES

	Feb. 1987	Feb. 1986	Pct. Change	2 mos., 1987	2 mos., 1986	Pct. Change
AMC						
Cars	353	871	-59.47	852	1587	-46.31
Jeeps	1,388	822	+57.36	2,765	2,107	+31.22
CHRYSLER						
Cars	8,956	11,080	-19.16	16,836	21,186	-20.53
Trucks	4,111	4,256	- 3.40	7,887	8,222	- 4.07
GM						
Cars	24,896	31,139	-20.04	42,597	56,812	-25.02
Trucks	11,554	11,566	- .10	20,694	21,648	- 4.40
FORD						
Cars	13,734	14,589	- 5.86	25,119	25,851	- 2.83
Trucks	9,769	9,322	+ 4.79	18,457	17,776	+ 3.83
VOLVO						
Cars	118	172	-31.39	281	382	-26.63
HONDA	96	—	—	184	—	—
TOTAL CAR	48,153	57,851	-16.76	85,869	105,818	-18.85
TOTAL TRUCK	26,822	26,026	- 3.05	49,803	49,753	+ .10

A Volvo of Canada spokeswoman said the Swedish automaker was beset by transportation problems caused by heavy snow. Snow slowed the distribution of cars from depots to dealers.

Truck sales for domestic makers were brighter. Ford posted a 4.80 percent increase in February from the year-ago month. Ford dealers sold 9,769 trucks last month compared to 9,322 a year ago. AMC's Jeep sales were up 57.37 percent in February, going from 882 the year-ago month to 1,388.

GM truck sales of 11,554 were almost the same as 11,566 last year.

Chrysler, with 4,111, was down 3.40 percent from 4,256.

Sales of captive imports in Canada last month were as follows:

In addition to North American-car sales, GM sold 113 Isuzu-built Sunburst models (Spectrum) and 770 Suzuki-built Firefly models (Sprint). Ford sold 616 Mercury Tracer models and 34 Merkur XR4Ti models. Chrysler sold 624 Mitsubishi cars and 60 Peugeot cars. AMC sold 166 imported Renault vehicles, and Volvo sold 359 Swedish-built Volvo cars.

Honda sold 4,591 Japanese-built models in addition to the 96 produced in Canada.

Import-car sales double in Taiwan

TAIPEI, Taiwan — More than 30,000 imported cars were sold in Taiwan last year, up from about 13,000 in 1985. Imports now account for 20 percent of the local car market.

According to the Free China Newsletter, local auto dealers said the rapid growth in imported-car sales surprised Taiwanese automakers, who experienced a sales decline last year.

In 1985, dealers said, 13,000 foreign-made cars were sold in Taiwan, accounting for 10 percent of the domestic market. They predicted import sales will eventually account for 40 percent of the nation's new-car market.

Dealers attributed the growth of imported-car sales to a 5 percent reduction in import tariffs and lower retail prices.

Total sales of domestic and foreign cars in Taiwan were approximately 140,000 in 1986, the newsletter said.

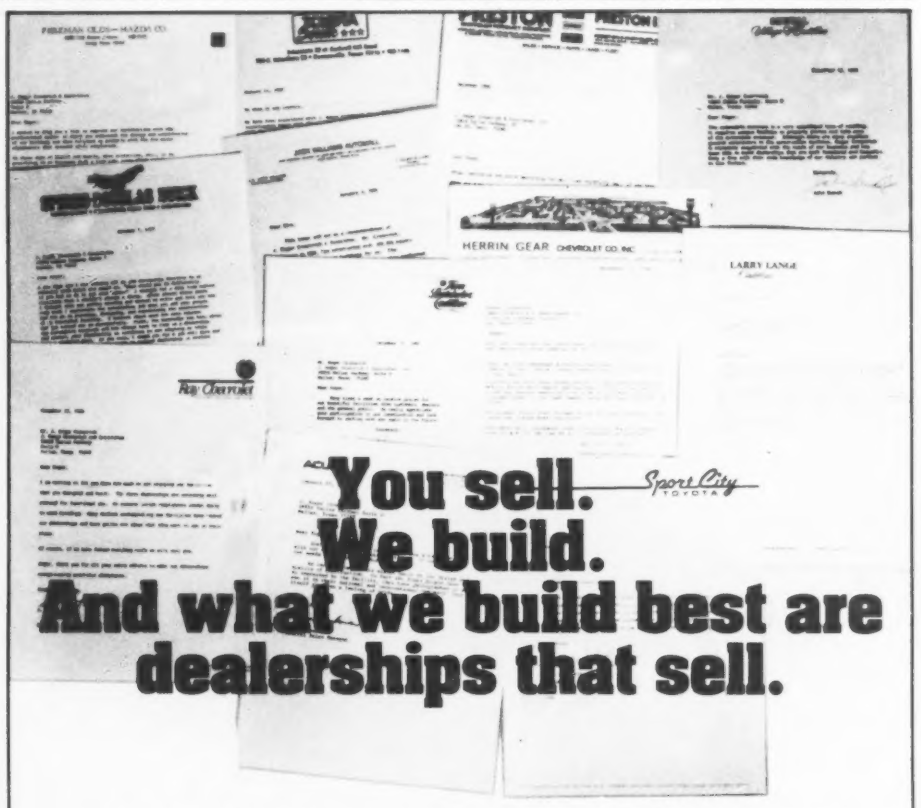
Big increase seen in Brazil's exports

SAO PAULO, Brazil — Brazil's auto exports are expected to total 250,000 to 300,000 units this year, compared with 182,100 in 1986. The increase will be due primarily to exports of the Volkswagen Fox to the United States and shipments of the Fiat Duna to Italy.

The United States and Italy will become Brazil's best automotive customers this year, according to Andre Beer, president of ANFAVEA, the country's auto industry association.

The Brazilian industry produced 1,057,000 vehicles in 1986. That was short of its all-time record of 1,165,000 in 1980.

For 1987, Beer forecasts output of 1,160,000 to 1,200,000 vehicles. Exports of $2.1 billion to $2.3 billion are expected to top the record $1.99 billion worth of vehicles and parts exported in 1981.



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PEARL-GUARD

Germany braces itself for metalworker strike

By Richard Johnson

With a German metalworkers' contract set to expire April 1, auto executives in Frankfurt are remembering the disruption caused by the union's seven-week strike in 1984.

But despite the threat of another walkout this year, West German industry leaders say they are more concerned about preserving the country's long-term stature as a major producer and exporter.

The 1984 strike not only ground German automakers to a halt, but also shut down much of the local supplier base and had a rippling effect across the world car industry.

With the existing pact about to expire and the two sides still far apart, prospects for another lengthy work stoppage are high. A strike this year would put a damper on a West German market that reached a record sales level last year and would put additional bottom-line pressure on a national industry hit hard by the deutschemark's steep rise against the dollar.

But West German auto executives claim their country's future as one of the world's major vehicle producers lies in the balance as this year's negotiations proceed.

I.G. Metall, the 2.6-million-member metalworkers' union, is seeking a 5-percent wage increase and a simultaneous cut in the workweek from an average 38.5 hours to 35 hours.

But according to a 19-nation survey by the German Association of Employers, German industrial employees already put in the fewest hours in the world. In 1986 they worked an average of 1,708 hours — 448 fewer than the Japanese.

In more than two months of negotiations, the two sides have been unable to come together on the critical issue of the length of the workweek. Gesamtmetall, the employers' association, has offered a small wage increase and some scheduling flexibility by permitting more time off Monday through Friday, if the time is made up on Saturday.

> "The 35-hour workweek is a problem of productivity. It wouldn't work. If they are tough in their demand, there will be a strike. The industry knows that we cannot accept this."
>
> **— Daniel Goeudevert, Chairman, Ford of Germany**

Gesamtmetall has been the employers' public voice, with car company officials generally staying mum on the subject. But two West German chief executives recently offered strong opinions in separate interviews with *Automotive News*.

Both Audi Chairman Dr. Wolfgang Habbel and Ford of Germany Chairman Daniel Goeudevert noted that the country's competitive stance is threatened by a reduction in work hours and seemed resigned to the high probability of a strike.

Habbel conceded the likelihood of a walkout, but promised that employers won't back down. He said the double-barrelled approach of higher wages and fewer hours has been the main stumbling block.

"If we would do both it comes to something like a 10 or more percent total increase in labor costs," said Habbel. "That's something the industry can't live with."

Goeudevert said a combination of a 5-percent wage increase and 35-hour workweek "would be absolutely disastrous."

"The 35-hour workweek is a problem of productivity," he said. "It wouldn't work. If they are tough in their demand, there will be a strike. The industry knows that we cannot accept this.

"There are a lot of good things about manufacturing cars in Germany and also a lot of bad things," he added. "We can't control exchange rates, but we can do a better job on labor costs. Asking for less working hours and more salary is driving us into a more difficult situation in manufacturing that kind of (high-quality) product in Germany and being competitive."

Because of the currency swing in the past 18 months, the Germans are increasingly nervous about competitiveness. Another spurt in German labor costs would severely damage the national industry, say many observers.

With growing penetration of export sales here in small-car segments and lower cost sources developing in places like Spain and Eastern Europe, a restructuring of the local car industry could be at hand. The general expectation is for more sourcing from outside Germany, both for components and built-up small cars.

The issue is one of West German quality, both at the manufacturer and supplier levels, against growing labor costs. None of the German producers predict a significant shift away from local suppliers in the short term, but a gradual movement among the high-volume producers seems likely.

Though Ford of Germany's West German content is now about 80 percent, Goeudevert said the long-term trend will be downward.

"I don't believe that in the next 10 years we'll be so far down that we'll be below 50 percent," he said. "By sourcing components outside Germany you run the risk of hurting quality reputation. The German suppliers also know they are high-priced... and that they are not alone in the world."

Hans-Erdmann Schonbeck, president of Verband der Automobilindustrie (VDA), the German industry association, said recently that West Germany's reputation for high quality "glosses over the disadvantage of the high cost level which the Federal Republic as a production locality has in international competition.

"Dampening of rising costs is of utmost priority in the interest of competitiveness and thus of job security," Schonbeck said. "A further reduction in the number of hours worked would additionally restrict the scope for wage increases."

But I.G. Metall, Europe's biggest trade union, is adamant on the issue of work hours. The union's seven-week strike in the summer of 1984 was designed to cut the workweek from 40 hours to 35 hours and succeeded in winning a 38.5-hour week.

Franz Steinkuhler, the union's new leader and the organizer of the 1984 strike, says shorter hours is the best way to increase employment in West Germany, where some 2 million persons are out of work.

A debate central to the negotiations has been the number of jobs that would be created through shorter hours. The union says 100,000 jobs were generated by the 1½-hour reduction in 1984, while the employers say the figure is more like 20,000.

Thus far, the union seems to have held the rank and file together on the workweek issue. I.G. Metall's rallying cry has been that the corporate treasuries are overflowing with the proceeds of several years of steadily growing profits. ■

Sales fall 4 percent in Western Europe in January

By Richard Johnson

Fiat Auto surged into the Western European sales lead in January as overall sales for the area declined 4 percent because of a sharp sales drop in West Germany.

The January total for Western Europe was 921,900, compared with 960,000 in January 1986.

Japanese sales and market share plummeted in January, reflecting a steep reduction in exports to Europe during the months of November and December. The Japanese reduced shipments because of pressure by European governments. But shipments from Japan were up 38 percent in January as manufacturers sought to replenish stocks.

The January sales estimates are derived from industry estimates compiled by *Automotive News*.

Fiat, with 148,000 sales, captured the top sales position from Volkswagen Group, the leader throughout 1986. Fiat held the lead even without including its new acquisition, Alfa Romeo, in the overall numbers.

With Alfa's 1.5-percent share, Fiat held a commanding 16.1 percent of the European market in January — nearly 3 percentage points better than the VW-Audi-Seat combine.

EUROPEAN SALES

Manufacturer	January 1987	1987 share*	January 1986	Pct. Change 1987 vs. 1986
Fiat Group**	148,000	16.1	146,800	+ 0.8
VW-Audi-Seat	123,000	13.3	130,200	– 5.6
Ford	106,200	11.5	117,700	– 9.8
PSA***	105,700	11.5	106,500	– 0.7
GM****	104,300	11.3	113,600	– 8.2
Renault	95,200	10.3	89,800	+ 6.0
Japanese (all)	86,400	9.4	99,600	–13.3
Toyota	20,400	2.2	24,500	–16.9
Nissan	18,500	2.0	22,500	–17.8
Mazda	14,200	1.5	18,900	–24.6
Mitsubishi	9,700	1.0	11,400	–15.3
Austin Rover	38,900	4.2	40,300	– 3.5
Mercedes-Benz	32,700	3.5	37,700	–13.3
Volvo	24,100	2.6	26,200	– 7.9
BMW	23,300	2.5	26,400	–13.0
Others	34,100	3.7	25,200	+35.3
Total	921,900	100.0	960,000	– 4.0

*—Total does not add to 100 percent because of rounding.
**—Includes Alfa Romeo
***—Peugeot, Citroen, Talbot
****—Opel, Vauxhall, Isuzu, GM-U.S./Canada

Volkswagen was hurt by the severe January sales downturn in West Germany, Europe's largest new-car market. Sales fell 27 percent after a brisk December, prompted by a Jan. 1 reduction in the tax write-off for cars equipped with catalytic converters. Sales totaled 145,900 in January, compared with 200,900 during the same month last year.

Among Europe's other major markets, Italy was up 3.0 percent, the United Kingdom fell 0.3 percent and France was down 2.8 percent.

Sales in Spain, Europe's fifth-largest and fastest-growing market, soared 86 percent in January. The country's auto industry is still riding a sales crest that got rolling last summer.

The West German decline was the main reason VW Group, Ford and General Motors each lost European sales and market share last month.

VW Group was down 5.6 percent overall to 123,000. The VW unit fell 13.3 percent, while Audi was up 6.5 percent and Seat sales rose 33 percent. In West Germany, group sales were off nearly 20 percent, though market share was up nearly 3 percentage points to 28.5.

Ford, in a virtual tie with Peugeot SA for third place in Europe, declined 9.8 percent because of a 53-percent January drop in West Germany.

General Motors, the No. 2 seller in Germany, was down 31.1 percent in that market and off 8.2 percent in all of Western Europe.

The slack West German market also explains why Mercedes-Benz slipped behind Austin Rover in Europe during January and why BMW dropped below Volvo. But despite the 27 percent decline, most industry analysts still expect the West German market to approach, though not match, the record 2.8 million sales chalked up last year.

Fiat benefited from a steady Italian market to ring up sales of 148,000, less than 1 percent better than January 1986. The figures include sales of 15,100 Alfa Romeo models. Alfa officially became part of Fiat on Jan. 1.

Fiat's 16.1-percent combined market share was followed by VW Group with 13.3 percent, Ford and Peugeot SA at 11.5 percent, General Motors at 11.3 percent, and Renault at 10.3 percent. Only Fiat and Renault had sales gains over the previous January. The French carmaker was up 6 percent.

In the second tier, Austin Rover held 4.2 percent of the European market; Mercedes, 3.5 percent; Volvo, 2.6 percent; BMW, 2.5 percent.

Each of the four leading Japanese makers in Europe — Toyota, Nissan, Mazda and Mitsubishi — fell sharply in January. Combined Japanese sales were 86,400, down 13.3 percent. The Japanese share was 9.4 percent, compared with 10.4 percent in January 1986 and 11.7 percent for all of 1986. ■

South African automakers post February sales gain

By Jeremy Sinek

February vehicle sales have left South Africa's automakers looking forward to 1987 with quiet, if guarded, optimism.

Total sales of 22,976 vehicles was a 10.7-percent gain on January and up 8.2 percent on February '86. This was made up of 15,162 passenger cars (up 13.3 percent) plus 1,131 medium and heavy trucks and buses, a rise of 41.4 percent off an admittedly very low base. All sectors except medium trucks were also up.

The improvement is being partly credited to the fact that used-car prices — fueled by a shortage of models traded in against new cars — have now risen so sharply that they are not much cheaper than new ones.

Toyota was the only automaker not to post increased sales. Its 3.7-percent drop to 3,712 units may have reflected stock shortages after the Christmas shutdown, but did not prevent its customary market leadership of 24.5 percent for the month. Toyota also posted a 29.2-percent gain in light commercials, where it took a 37.7-percent share of the market.

VW matched Samcor's 3,106 sales to score a 20.5-percent portion of the market. Samcor's tally comprised 1,719 Fords and 1,387 Mazdas, both of which are discounting heavily certain models.

A distant fourth was Mercedes/Honda with 1,525 sales (783 Hondas), while Delta Motor Corp. — formerly GM South African — sold 1,373 units, a 39.5-percent gain; 1,157 of those were Kadetts and Monzas, which pushed the GM subcompact into third place behind the VW Golf/Jetta (2,595) and Toyota Corolla (2,556).

BMW remained steady with 1,255 sales, while Nissan was again bottom of the passenger-car league with 1,082 sales.

Nissan's hopes for an improvement are pinned on launch of the new Skyline in June and a new subcompact later in the year. ■

OVERSEAS PRODUCTION

JAPAN

Cars

	12 mos. 1986	12 mos. 1985
Daihatsu	142,064	161,559
Fuji	287,039	259,673
Honda	1,025,403	956,410
Isuzu	211,178	213,052
Mazda	811,371	815,074
Mitsubishi	578,642	570,865
Nissan	1,769,484	1,864,701
Suzuki	300,604	236,198
Toyota	2,684,024	2,569,284
Total	7,809,809	7,646,816

Vans, Trucks, Buses

Daihatsu	460,455	417,378
Fuji	341,264	324,711
Hino	49,983	69,051
Honda	210,995	163,901
Isuzu	343,722	373,963
Mazda	384,254	378,618
Mitsubishi	599,333	581,912
Nissan	473,511	635,387
Nissan Diesel	32,703	36,351
Suzuki	571,807	545,703
Toyota	976,143	1,096,338
Others	707	954
Total	4,450,008	4,624,267
Total Vehicles	12,259,817	12,271,083

FRANCE

Cars

	12 mos. 1986	12 mos. 1985
Peugeot SA	1,467,903	1,308,635
Citroen	521,640	478,541
Peugeot/Talbot	946,263	830,094
Renault	1,305,191	1,322,887
Total	2,773,094	2,631,522

Vans, Trucks, Buses

CBM	43	57
Heuliez	173	0
Iveco-Unic	74	99
Peugeot SA	151,374	170,323
Citroen	66,713	74,578
Peugeot/Talbot	84,661	95,745
Renault	269,773	214,017
Sovam	84	89
Total	421,521	384,585
Total Vehicles	3,194,615	3,016,107

UNITED KINGDOM

Cars

	11 mos. 1986	11 mos. 1985
Carbodies	2,040	1,678
Ford	316,555	297,766
Jaguar	37,557	35,571
Lotus	636	765
Panther	229	108
Reliant	262	729
Rolls-Royce	2,325	2,308
Rover Group	374,267	435,696
Austin Rover	360,848	422,168
Range Rover	13,419	12,528
TVR	491	436
Vauxhall	147,958	140,462
Others	546	561
Total	937,251	973,507

Van, Trucks, Buses

Bedford	46,585	58,503
ERF	1,739	1,826
Foden	466	428
Ford	86,020	98,170
Hestair-Dennis	630	812
Iveco-Ford	4,980	0
Metro-Cammell Weymann	248	415
Reliant	22	51
Renault TI	3,806	4,734
Rover Group	63,871	84,109
Austin Rover	16,856	23,334
Freight Rover	16,977	17,685
Land Rover	19,647	28,562
Leyland	10,391	14,528
Seddon Atkinson	1,501	1,546
Others	148	171
Total	210,016	250,765
Total Vehicles	1,147,267	1,224,272

OVERSEAS REGISTRATIONS

SWEDEN

Cars

	January 1987	January 1986
BMW	226	222
Bertone	0	1
Daihatsu	44	78
Fiat Auto	364	534
Fiat	190	207
Lancia	126	272
Alfa Romeo	48	55
Ford	1,774	1,983
GM-Opel	1,944	1,768
Honda	159	249
Isuzu	8	0
Lada	102	127
Mazda	654	694
Mercedes-Benz	333	610
Mitsubishi	96	124
Nissan	322	901
Peugeot SA	464	429
Citroen	154	158
Peugeot/Talbot	310	271
Porsche	20	18
Renault	262	184
Rolls-Royce	1	1
Saab	2,364	2,036
Skoda	8	11
Subaru	118	108
Suzuki	62	36
Toyota	1,043	571
VW Group	2,066	2,211
Volkswagen	1,244	1,417
Audi	822	794
Volvo	4,760	4,807
Others	77	45
Total	17,194	17,703

DENMARK

Cars

	January 1987	January 1986
BMW	162	265
Dacia	2	31
Daihatsu	70	236
Fiat Auto	451	574
Fiat	420	527
Lancia	7	—
Alfa Romeo	24	47
Ford	759	1,797
FSO	19	73
GM-Opel	1,186	2,527
Honda	136	165
Jaguar	1	3
Lada	231	—
Mazda	804	1,389
Mercedes-Benz	142	100
Mitsubishi	102	27
Nissan	336	554
Peugeot SA	665	844
Citroen	364	680
Peugeot/Talbot	301	164
Renault	31	80
Rover Group	8	18
Saab	93	150
Skoda	124	219
Subaru	21	27
Suzuki	7	20
Toyota	856	1,463
VW Group	689	968
Volkswagen	510	827
Audi	137	80
Seat	42	61
Volvo	341	536
Wartburg	32	37
Zastava	52	97
Total	7,320	12,793

AUSTRIA

Cars

	January 1987	January 1986
BMW	472	687
Daihatsu	81	63
Fiat Auto	784	1,203
Fiat	694	1,038
Alfa Romeo	90	165
Ford	1,231	1,608
GM-Opel	1,631	2,253
Honda	306	345
Jaguar	5	7
Lada	81	70
Mazda	1,116	1,580
Mercedes-Benz	603	648
Mitsubishi	352	341
Nissan	592	813
Peugeot SA	916	1,024
Citroen	420	424
Peugeot/Talbot	496	600
Porsche	16	41
Renault	525	661
Rover Group	12	14
Saab	17	24
Skoda	34	50
Subaru	345	374
Suzuki	86	58
Toyota	917	1,132
VW Group	3,388	3,414
Volkswagen	2,693	2,728
Audi	635	582
Seat	60	104
Volvo	227	239
Others	12	3
Total	13,749	16,652

WEST GERMANY

Cars

	January 1987	January 1986
BMW	7,652	10,466
Bertone	16	15
Daihatsu	460	819
Fiat Auto	10,737	11,512
Fiat/Lancia/Ferrari	10,389	11,101
Alfa Romeo	348	411
Ford	11,471	24,232
GM-Opel	19,953	29,678
Honda	1,606	3,035
Isuzu	402	475
Jaguar	109	140
Lada	812	638
Mazda	3,245	5,139
Mercedes-Benz	22,595	25,395
Mitsubishi	2,728	3,672
Nissan	2,767	4,850
Peugeot SA	5,415	10,659
Citroen	2,095	3,968
Peugeot	3,320	6,691
Porsche	455	774
Renault/AMC	5,335	6,397
Rover Group	545	750
Saab	357	320
Skoda	120	190
Subaru	1,156	1,339
Suzuki	1,496	1,533
Toyota	2,965	5,685
VW Group	41,885	51,602
Volkswagen	30,044	41,679
Audi	11,335	9,622
Seat	486	301
Volvo	774	1,495
Others	72	136
Total	145,122	200,946

JAPAN

Cars

	12 mos. 1986	12 mos. 1985
Daihatsu	87,609	97,431
Fuji	73,699	82,116
Honda	304,946	296,634
Isuzu	59,067	46,677
Mazda	194,139	189,792
Mitsubishi	146,261	168,292
Nissan	765,738	781,801
Suzuki	63,626	68,331
Toyota	1,383,518	1,322,828
Imports (all)	68,357	50,172
Total	3,146,023	3,104,074

Vans, Trucks, Buses

Daihatsu	383,666	339,439
Fuji	233,327	226,545
Hino	37,856	38,366
Honda	203,487	158,049
Isuzu	114,131	119,237
Mazda	157,689	156,036
Mitsubishi	361,937	352,528
Nissan	248,702	265,475
Nissan Diesel	21,199	20,684
Suzuki	428,281	415,625
Toyota	371,345	360,559
Imports (all)	171	179
Total	2,561,791	2,452,722
Total Vehicles	5,707,814	5,556,796

BELGIUM

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	3,304	2,763
BMW	10,046	8,383
Daihatsu	1,856	1,601
FSO	954	946
Fiat Auto	16,265	13,544
Fiat	14,640	12,212
Lancia	1,625	1,332
Ford	35,082	32,531
GM-Opel	46,256	45,239
Honda	10,268	9,097
Hyundai	65	449
Isuzu	97	67
Jaguar	297	318
Lada	15,635	13,268
Mazda	9,596	8,903
Mercedes-Benz	12,037	10,070
Mitsubishi	9,985	8,876
Nissan	16,542	14,844
Peugeot SA	55,260	52,101
Citroen	25,734	24,906
Peugeot/Talbot	29,526	27,195
Porsche	479	460
Renault	33,038	33,499
Rover Group	4,956	5,224
Saab	1,644	1,299
Skoda	3,484	2,973
Subaru	3,157	2,438
Suzuki	3,061	2,345
Toyota	27,646	23,215
VW Group	61,870	55,093
Volkswagen	42,013	37,617
Audi	14,543	13,317
Seat	5,314	4,159
Volvo	9,960	8,442
Wartburg	936	1,080
Zastava	562	514
Others	656	249
Total	395,039	359,831

THE NETHERLANDS

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	4,022	3,734
BMW	12,777	12,834
Dacia	101	133
Daihatsu	6,461	4,436
FSO	305	279
Fiat Auto	36,007	31,811
Fiat	33,558	30,021
Lancia	2,449	1,790
Ford	57,812	56,464
GM-Opel	92,559	87,899
Honda	14,834	11,896
Hyundai	1,399	1,320
Jaguar	360	401
Lada	12,737	8,737
Mazda	23,080	16,785
Mercedes-Benz	13,317	11,912
Mitsubishi	14,629	12,697
Nissan	27,337	25,110
Peugeot SA	65,177	48,239
Citroen	31,124	24,870
Peugeot/Talbot	34,053	24,169
Porsche	210	225
Renault	27,713	28,916
Rover Group	5,365	5,774
Saab	2,563	2,461
Skoda	5,030	3,271
Subaru	4,303	2,963
Suzuki	15,857	12,267
Toyota	29,903	24,569
VW Group	56,741	52,184
VW/Audi	52,394	44,966
Seat	4,347	7,218
Volvo	29,056	26,676
Zastava	695	828
Total	560,512	495,720

AUCTION DIRECTORY

MASSACHUSETTS

Concord Auto Auction, Rt. 2, P.O. Box 257, Acton, Mass. 01720. Fleet & Lease accounts. Ford Factory Sale. Sale every Friday, 10 A.M. 617-263-8300.

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Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

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Car, truck scrappage set records

DETROIT — R.L. Polk & Co. reported that automobile scrappage and truck scrappage each reached an all-time high in the United States in the year ended June 30, 1986.

Car scrappage totaled 8.4 million units, and truck scrappage totaled 2.3 million, Polk said.

The scrappage figures were contained in Polk's recently issued 62nd annual motor-vehicle registrations report, which covered the period from July 1, 1985, to June 30, 1986.

Polk said that although new-car registrations in the United States hit a 13-year high of 11.1 million for the period, the passenger-car population increased only 2.3 percent, the lowest rate of growth in three years. The total was 117.3 million, compared to 114.7 million a year earlier.

Despite increases in new-car registrations during the last five years and increased scrappage during the last four years, the median age of the nation's car population continues an upward trend, Polk said.

Polk's census showed the median age at 7.0 years, up from 6.9 years a year earlier and 6.5 years in 1983.

The trends are somewhat surprising, according to R.D. Borthwick, vice president and manager of aftermarket services for Polk's Motor Statistical Division.

"The logical assumption would be that we would see a decline in the median age of the nation's cars, based on the number of new cars sold through buyer incentives and the record number of automobiles scrapped," said Borthwick.

"Surprisingly, what we're seeing is an increase. Those that remain are getting older.

"The lower interest rates and controlled inflation have had a positive effect on overall new-car sales, but there remains a segment of the public which still can't afford a new unit. They seem to be hanging on to their cars, causing the increase in the median age of our total car population," Borthwick said.

Despite the record truck scrappage, the number of trucks in operation increased 5.8 percent, the highest increase since 1978, Polk said. The census showed 44.8 million trucks in use, up from 42.4 million a year earlier.

The census also showed that the median age for trucks continued to edge upward, reaching 7.7 years, up from 7.6 a year earlier.

Increases in new-unit registrations have more than offset the increase in truck scrappage, Borthwick said.

"The new truck business has been excellent," he said. "New-unit registrations for the year reached 4.7 million, and one-third of the vehicle-owning households in the U.S. now own at least one truck."

Borthwick said the increase in truck popularity comes partly from the public's acceptance of mini-trucks such as vans, pickups and sport/utility vehicles.

"The trends we're seeing probably can be traced to the downsizing of passenger cars begun in the late '70s," he said. "Many traditional car buyers appear to be switching to trucks, presumably for the cargo space and versatility for outdoor recreation."

The Polk census is based on more than 225 million state records processed by the firm and provides information for vehicle-related studies and planning. It is made available to vehicle manufacturers; automotive aftermarket suppliers; the tire, oil, glass and insurance industries; and government agencies and offices.

The company has compiled the census annually since 1924.

DRIVING: *Jackie Stewart puts advice on videotape for beginners, commuters and enthusiasts*

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Jackie Stewart, three-time world auto racing champion, is putting driving tips on videotape.

A 30-minute video, available in both VHS and Betamax format, goes on sale this month at a list price of $59.95. It is produced and marketed by Carl Lorimar Home Video, a partnership between Stewart, Carl Lorimar and Lorimar Telepictures.

The video is aimed at a broad audience ranging from auto enthusiasts to commuters to new drivers, Stewart said. In addition to individual sales, Stewart expects the tape to sell well to operators of video rental shops.

The tape covers basic driving skills, acceleration, braking, cornering and Stewart's trademark message — smoothness and rhythm in everyday driving.

"If I were a parent, I would want my young driver to see something like this simply because it's a safe motoring message that's coming from a driving authority more acceptable to young people than a parent or a police chief," Stewart said.

The tape is not being promoted by Ford Motor Co. or Ford dealers, despite Stewart's long association with Ford. It was independently financed and Ford is not mentioned by name in the tape, although Ford vehicles are used.

Stewart interweaves some race-car footage into the tape, but uses it to underscore his point about safety equipment being important regardless of the type of driving.

"We use a bit of play-acting as well, with a mother and baby stepping out into the street and a driver starting his morning commute and fumbling with a cassette tape while driving into the sun," Stewart said. "We used a stunt woman and a dummy baby, but the shot of them coming up onto the hood is an effective illustration, I think."

Stewart sees the tape as a first step. He would like to follow it with other videos for more-advanced drivers on winter or night driving, cornering and gear-shifting techniques and perhaps do another series of tapes in Europe.

AUCTION DATES

American Motors

March 24 — Statesville Auto Auction, Statesville, N.C.

March 25 — St. Louis Auto Auction, Bridgeton, Mo.; Columbus Fair Auto Auction, Columbus, Ohio; and Kansas City Auto Auction, Kansas City, Mo.

March 26 — D-A Auto Auction, New Stanton, Pa.; Corry Auto Auction, Corry, Pa.; and Evansville Auto Auction, Evansville, Ind.

March 31 — D-A Auto Auction, New Stanton, Pa.

Chrysler Corp.

March 24 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

March 25 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

March 26 — Fredericksburg Auto Auction, Fredericksburg, Va

March 27 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

March 24 — South Seattle Auto Auction, Kent, Wash.

March 25 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

March 26 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

March 31 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

General Motors

March 24 — Harrisonburg Auto Auction, Harrisonburg, Va.

March 25 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

March 26 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

March 31 — Dallas Auto Auction, Dallas, and 166 Auto Auction, Springfield, Mo.

Used Car Sales
Auction Averages

March to date	$5,794
Month ago	$5,711
Year ago	$4,859

Model Breakdown
Auction Averages

	MAR 1987	FEB 1987	JAN 1987
1987	$13,636	$13,406	$13,158
1986	$9,666	$10,038	$11,481
1985	$7,337	$7,382	$7,054
1984	$5,858	$5,940	$5,811
1983	$4,811	$4,843	$4,995
1982	$3,770	$3,628	$3,599
1981	$2,590	$2,537	$2,614
1980	$2,181	$2,167	$1,997
Overall Average	$5,794	$5,711	$5,129

AVERAGE DEALERSHIP

	1956	1966	1976	1986
Total Dealership Sales	$738,272	$1,469,399	$3,601,541	$11,248,628
Total Dealership Gross	$115,909	$230,696	$549,595	$1,596,180
As % of Total Sales	15.7%	15.7%	15.3%	14.2%
Total Dealership Expense	$110,003	$204,246	$476,484	$1,353,210
As % of Total Sales	14.9%	13.9%	13.2%	12.0%
Net Profit Before Taxes	$5,906	$26,449	$73,111	$242,970
As % of Total Sales	0.8%	1.8%	2.0%	2.2%
Net Pre-Tax Profit in Constant '67 Dollars	$7,256	$27,211	$42,881	$73,986
New Vehicle Dept. Sales	$442,963	$903,680	$2,207,745	$7,570,327
As % of Total Sales	60.0%	61.5%	61.3%	67.3%
Used Vehicle Dept. Sales	$162,420	$323,268	$785,136	$2,238,477
As % of Total Sales	22.0%	22.0%	21.8%	19.9%
Service and Parts Sales	$132,889	$242,451	$572,645	$1,439,824
As % of Total Sales	18.0%	16.5%	15.9%	12.8%
Average Net Worth	$131,923	$132,737	$305,993	$645,360
Net Profit as % of Net Worth	5.5%	20.5%	23.9%	37.7%
Advertising Expenses	$5,900	$12,200	$29,550	$133,900
Number of Employees	17	22	26	34
Annual Payroll	$70,000	$130,000	$327,000	$770,000

SOURCE: NADA

DEALERS

FROM PAGE 1

are not adjusted for inflation, the trend is clear. During the 30-year period, general price levels increased 308 percent. Adjusting for inflation still leaves a real fourfold increase.

The total dealership gross margin was 14.2 percent in 1986, compared with 15.7 percent in 1956. However, total dealership expenses as a percent of sales were 12.0 percent last year, compared with 14.9 percent 30 years ago, suggesting that cost-reduction programs work.

Average dealership net profit before tax was $242,970, or 2.2 percent of sales, in 1986 compared with $230,476, also 2.2 percent of sales, in 1985. In 1956, the average was $5,906, just 0.8 percent of sales.

However, the impact of size was clear in this area of the NADA study, which reported that the average dealership selling fewer than 400 new vehicles a year "has not netted over 1.7 percent on sales since 1978."

Hence, the overall average sales return has been driven upward by ever-larger operations while the average smaller dealership has struggled.

In the last 30 years, average dealership net worth has increased from $131,923 to $645,360.

As a result, average dealership return on equity — that is, net profit as a percent of net worth — increased from 5.5 percent in 1956 to 37.7 percent last year.

Size also was a factor in return on equity. Last year, return on equity for dealerships selling more than 750 new units was about 43 percent, while for dealerships selling fewer than 400 units it was about 18 percent.

That disparity has grown. Ten years earlier, in 1976 when dealerships selling more than 750 vehicles became a measurable and statistically significant class, return on equity was 30 percent for that group, while for the average dealership selling fewer than 400 new units, 1976 return on equity was 20 percent.

The 30-year trend plotted by the study also showed that for the average dealership, annual advertising expenses have increased from $5,900 to $133,900.

While the average number of employees has doubled, from 17 to 34, the annual payroll has grown 11-fold, from $70,000 to $770,000.

There also was a shift in the relative importance of dealership departments.

In 1956, new-vehicle sales accounted for 60 percent of total sales, compared with 67.3 percent last year.

Used-vehicle sales were 22 percent of total sales in 1956 compared with 19.9 percent in 1986.

And 30 years ago, parts and service accounted for 18 percent of total sales, compared with just 12.8 percent last year.

NADA says extended warranties won't kill service-contract sales

NADA said that publicity generated by the warranty wars may cause consumers to consider how long they plan to keep new cars.

WASHINGTON — The Big Three battle over extended warranties will eventually affect dealers' sales of their own service contracts. But the initial effect will be minimal, according to the National Automobile Dealers Association.

The NADA analysis cited Chrysler Corp.'s experience with its 5-year/50,000-mile powertrain warranty — in effect since 1982 and for four years a longer warranty than that offered by other U.S. manufacturers. During that time, Chrysler dealers' service contract sales stayed strong and profitable, NADA reported.

NADA figures show that in 1986, Chrysler dealers generated an average gross profit per extended service contract that was twice as high as the average Ford Motor Co. dealer and 11 percent higher than the average General Motors dealer. Yet Chrysler's average contract was priced competitively with Ford and GM.

Moreover, the Chrysler extended warranty did not reduce the number of extended service contracts Chrysler dealers sold. In 1986, NADA's average dealer sold extended service contracts on some 36 percent of all new vehicles. The average was the same for Chrysler, Ford and GM dealers.

NADA said that publicity generated by the warranty wars may cause consumers to consider how long they plan to keep new cars. Dealers may experience a decline in the sales of more expensive service contracts, NADA warned.

VW's Brazilian losses deepen

Country's other makers expected to announce similar results

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Volkswagen do Brasil registered a loss of $146 million in 1986 compared with a loss of $59 million the previous year.

It was the fifth time in seven years that the company ended the year in the red.

According to Andre Beer, president of ANFAVEA, the automakers' association, VW is likely to be joined by most of the other manufacturers in reporting a loss.

All were hit last year by the price freeze decreed by the government at the end of February 1986 as part of the Cruzado Plan anti-inflation package. That measure froze car prices at a time when parts' costs were increasing and fed a consumer boom that resulted in waiting lists of up to 2½ years on some models.

Beer said, "All the automakers took losses on their operations in the domestic market, and the only ones that may be saved are those that exported heavily."

Of the four manufacturers in Brazil — Volkswagen, General Motors, Ford and Fiat — only fourth-place Fiat is believed by industry observers to have ended the year in the black. That was due more to its $350 million in exports than to its 13 percent share of the domestic market.

Nonetheless, all manufacturers are pressing ahead with programs for new models. All investments are, in fact, reinvestments or loans from headquarters.

GM is investing $500 million to launch the Kadett in late 1988. Also for next year, Ford is working on a modified Orion — currently known as the Nevada — at a cost of around $100 million. Fiat plans to invest $150 million between now and the end of the decade. VW, despite its losses, invested $123 million in 1986, mainly on the project to export its Fox to the United States.

On the other hand, the lack of profitability resulted in significant changes in the industry last year. The most dramatic was the formation of the Autolatina holding company composed of VW and Ford operations in Brazil and Argentina.

The two companies are already carrying out preliminary work on sedans and station wagons. The models will use common powertrains and other components but will have distinctive exterior and interior design. The cars will be introduced at the end of the decade.

Brazilian exports are expected to increase dramatically this year, some 50 percent in dollar terms, according to Beer. He estimated that 1987 exports could top $2.5 billion, compared with $1.7 billion last year.

He said that, for the first time, the bulk of the industry's export earnings will result from sales of built-up cars to developed world markets. "In 1987, our two main export markets will be the United States and Italy," he said.

VW projects exports of $800 million this year compared with $226 million in 1986. Fiat, which this year will be exporting some 130,000 vehicles including the Duna subcompact and Duna Weekend station wagon to Italy, expects to chalk up $500 million.

VW

FROM PAGE 1

fury here, most analysts forecast little long-term damage for Volkswagen. The Wolfsburg giant, they say, has the financial wherewithal to absorb the loss and has a solid foundation for recovery of the stock price.

"The underlying business is still very strong," said one analyst.

Volkswagen disclosed two weeks ago that it may have been defrauded by unidentified persons outside VW, possibly in collaboration with company insiders. The perpetrators, VW said, forged currency futures documents, thereby exposing the company to a massive loss as the dollar fell precipitously against the German mark.

The practice of buying currency ahead to guarantee a rate of exchange is widely used by companies to protect against fluctuations.

Volkswagen has said little about the swindle, although a few details of the crime were revealed last week.

The chairman of VW's supervisory board, Karl Gustav Ratjen, said in a West German television interview that the fraud involved erasure of computer tapes and tampering with programs in 1984.

Ratjen said the scandal involved "a degree of criminal energy . . . that until now was unimaginable in a German company."

In a separate interview, VW Chairman Carl Hahn said he believed the suspected criminal activities were centered outside the company.

According to one report, VW's internal investigation was launched after the Hungarian National Bank refused to honor a forward dollar contract which came due on Feb. 18. The bank reportedly said it had no record of the contract.

The bank later confirmed that it helped identify fraudulent activities and that it offered to assist VW in its inquiry.

Two executives have been fired by VW in connection with the scandal, although both were already on their way out. Chief Financial Officer Rolf Selowsky was due to leave when his five-year contract expired in May. Instead, the supervisory board sought and received his resignation three days after the fraud was revealed. A spokesman said Selowsky was not implicated in the manipulation, but rather was dismissed on the principle of managerial responsibility.

Selowsky was said to be leaving in May because of a disagreement with Hahn's plan to create a new position on the management board with financial oversight responsibility for international operations.

Upon leaving, Selowsky was to have signed a new five-year contract as a VW consultant. But the status of that agreement was unclear last week.

Selowsky will be replaced on an interim basis by VW finance executive Peter Frerk. Dieter Ullsperger, a top financial officer at Kloeckner-Humboldt-Deutz, a West German engineering concern, had previously been tabbed as Selowsky's permanent successor.

Burkhard Junger, head of VW's foreign exchange department, had resigned in January over "differences of opinion" regarding the company's currency exchange policy. Junger had until September to formally leave the company, but left immediately in the wake of the scandal. According to some reports, he is now cooperating with state and federal prosecutors.

Six other VW employees, including Gunther Borchart, head of the finance and payments division, and Siegfried Muller, chief of foreign exchange clearing, were suspended, along with four currency traders on staff.

Though laying low last week, Junger protested his innocence in a story appearing in the West German magazine Der Spiegel. But he pointed to the possible involvement of the Hungarian National Bank and Joachim Schmidt, a Frankfurt currency broker.

The Lower Saxony state prosecutor's office, which has been joined on the case by federal authorities, said it is focusing its investigation on the Frankfurt banking community. A spokesman said the office is seeking to question Schmidt, a senior partner in a Frankfurt foreign exchange firm.

However, neither Junger nor the prosecutor's office specified the nature of the broker's suspected involvement. Schmidt was reported to be out of the country last week.

Meanwhile, a Frankfurt attorney revealed last week that he had approached Ratjen in February with information from an unnamed client who he said was familiar with the fraud and wished to cooperate with Volkswagen.

The attorney told a Frankfurt newspaper that Ratjen spurned the request to meet with his client. VW quickly issued a statement saying that Hahn met with the lawyer on Feb. 24, but that the attorney had received new instructions from his client not to release names or other information.

One consequence of the scandal last week was West German Finance Minister Gerhard Stoltenberg's statement that the investigation raises doubts about whether the government should proceed this year with plans to sell its 20-percent stake in the company.

Stoltenberg said the affair calls into question whether VW management has kept financial matters "under appropriate control."

The VW sell-off is part of a broader plan by the West German government to unload its shares in private companies. Its holding in VW has been valued at about $1.6 billion at current rates.

Volkswagen has said the loss will not affect the group net profit for 1986, expected to be in the realm of 600 million marks ($326 million), or about the same as 1985. The automaker has also said it will go through with its planned dividend payments this year.

Analysts say VW will dip into cash reserves to cover the foreign exchange loss.

"These German companies have huge amounts in reserve," said Sanjay Dabysing, an analyst at DRI-Europe in London. "The bottom-line results you see may have nothing to do with the actual profit."

The lack of impact on the bottom line reflects a frequent criticism of financial disclosure laws throughout much of Europe. Companies here have considerable leeway to conceal costs and assets in nondescript line items which are not reflected in published profit/loss results.

PRODUCTION

Year's output off 7%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers' scheduled production of 169,353 cars last week, 1.32 percent more than the previous week's 167,143, but 4.32 percent less than the year-ago week's 176,995.

So far this year, 1,844,187 cars have been assembled, 7.17 percent below the 1,986,709 completed last year at this point.

Companies split last week's estimated production as follows: General Motors, 52.59 percent; Ford Motor Co., 25.94 percent; Chrysler Motors, 11.46 percent; Honda of America Manufacturing Inc., 4.32 percent; New United Motor Manufacturing Inc., 2.36 percent; Nissan Motor Manufacturing Co., U.S.A., 1.72 percent; Volkswagen of America, 1.15 percent; and American Motors, 0.46 percent.

GM's Lansing (No. 2) plant is idle this week for inventory adjustment, affecting 3,500 workers. The plant is scheduled to resume output on April 6.

GM's Norwood, Ohio, plant is expected to resume production today (March 23). The plant has been idle for two weeks because of a material shortage.

As previously reported, GM's Arlington, Texas, facility remains down this week (March 23) for inventory adjustment. The plant is scheduled to resume output March 30.

Saturday (March 21) overtime was slated for GM's Lansing (No. 1) plant.

Ford's Dearborn, Mich., plant also was scheduled for Saturday overtime. All Ford plants are slated for daily overtime this week.

Chrysler's Newark, Del., and Sterling Heights, Mich., plants were scheduled for Saturday overtime and are slated for daily overtime this week.

Canadian car build tops 200,000

Canadian automakers' built their 200,000th car of the year last Thursday (March 19), 12 days behind 1986.

So far this year, 206,677 cars have been assembled, 17.36 percent below the 250,079 completed last year at this time.

Last week's targeted auto production of 17,820 cars was 1.18 percent more than the prior week's 17,613 but 27.58 percent below the year-ago week's 24,605.

Truck production totaled 18,682 units last week, 5.52 percent more than the previous week's 17,704 but 4.57 percent below the year-ago week's 19,576.

Year-to-date, 184,672 trucks have been built, 15.06 percent below the 217,416 assembled last year at this point.

General Motors' Ste. Therese, Quebec, plant remains idle for model changeover. The plant has been down since mid-February and is expected to resume output May 18.

Truck production dips for week

Domestic truck output of 79,355 units last week was 1.37 percent below the previous week's 80,458 but 5.94 percent above the year-ago week's 74,909.

Year-to-date, 860,735 trucks have been assembled, 4.28 percent more than the 825,428 completed last year at this point.

General Motors slated Saturday (March 21) overtime at four plants: Lordstown, Ohio; Pontiac, Mich.; Detroit; and Flint, Mich.

Ford Motor Co. scheduled Saturday overtime at its Wayne, Mich., plant.

All Ford truck plants are slated for daily overtime this week (March 23).

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

CANADIAN CAR	Week Ended March 21, 1987	Week Ended March 22, 1986	Week Ended March 14, 1987	March to Date	Jan. 1 to March 22, 1986	Jan. 1 to March 21, 1987
AMERICAN MOTORS	150	115	159	469	1,442	1,695
FORD MOTOR	11,645	11,025	11,376	34,421	127,496	123,251
GENERAL MOTORS	5,600	13,240	5,658	16,781	118,650	77,744
HONDA	200	0	195	572	0	1,512
VOLVO	225	225	225	675	2,491	2,475
Total Cars, Canada	17,820	24,605	17,613	52,918	250,079	206,677

U.S. TRUCK☆	Week Ended March 21, 1987	Week Ended March 22, 1986	Week Ended March 14, 1987	March to Date	Jan. 1 to March 22, 1986	Jan. 1 to March 21, 1987
CHEVROLET	23,802	25,990	23,730	70,993	286,937	249,876
DODGE	5,000	2	5,426	15,857	0	54,919
FORD	32,424	30,178	32,895	98,880	339,929	358,767
GMC	7,967	8,566	8,117	23,789	86,277	85,726
NAVISTAR	1,612	1,605	1,613	4,820	17,129	17,160
JEEP	4,470	3,915	4,507	13,508	51,820	49,419
NISSAN	1,730	2,203	1,820	5,340	16,564	19,018
AM GENERAL*	50	50	50	150	572	550
MISCELLANEOUS*	2,300	2,400	2,300	6,900	26,200	25,300
Total Trucks, U.S.	79,355	74,909	80,458	240,237	825,428	860,735

CANADIAN TRUCK	Week Ended March 21, 1987	Week Ended March 22, 1986	Week Ended March 14, 1987	March to Date	Jan. 1 to March 22, 1986	Jan. 1 to March 21, 1987
AMERICAN MOTORS	625	640	650	1,921	1,493	6,951
CHRYSLER	8,964	9,265	8,352	26,419	103,748	97,428
FORD	3,648	3,303	3,350	10,062	40,100	36,514
GENERAL MOTORS	5,245	6,148	5,153	15,182	69,938	41,596
NAVISTAR	200	222	199	595	2,137	2,183
Total Trucks, Canada	18,682	19,576	17,704	54,179	217,416	184,672
N. American Trucks	98,037	94,485	98,162	294,416	853,667	1,045,407

*—Includes window van production. **—Estimated.
Jeep includes commercial only. AM General includes government-declined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended March 21, 1987	Week Ended March 22, 1986	Week Ended March 14, 1987	March to Date	Jan. 1 to March 22, 1986	Jan. 1 to March 21, 1987
AMERICAN MOTORS	775	2,023	730	2,280	12,580	8,374
Renault Total	775	2,023	730	2,280	12,580	8,374
Alliance	775	1,680	730	2,280	11,031	8,374
Encore	0	343	0	0	1,549	0
CHRYSLER MOTORS	19,400	30,695	22,383	64,975	341,828	277,109
Plymouth Total	5,400	8,352	6,888	20,267	95,543	101,857
Horizon	0	3,148	0	2,014	35,695	32,324
Sundance	2,100	0	2,607	6,949	0	25,272
Reliant	2,300	3,657	2,992	7,873	42,521	30,250
Caravelle	1,000	1,322	1,289	3,431	14,222	14,007
Gran Fury	0	225	0	0	3,105	4
Chrysler Total	7,500	10,424	8,108	22,727	122,189	71,374
Laser	0	1,108	0	0	12,023	0
LeBaron K	1,800	2,292	2,284	5,983	29,885	20,417
LeBaron J	2,000	0	1,546	5,352	0	18,514
LeBaron GTS	700	2,502	960	2,470	25,048	9,235
New Yorker/E-Class	1,900	1,835	2,315	6,102	17,640	19,873
Fifth Avenue	1,100	2,687	1,003	2,820	37,593	3,335
Dodge Total	6,500	11,919	7,387	21,981	124,096	103,878
Daytona	1,000	1,027	835	2,733	11,435	9,363
Omni	0	3,148	0	1,770	36,417	27,744
Shadow	1,900	0	2,214	5,995	0	22,714
Aries	2,200	2,825	2,476	6,729	31,080	25,849
Dodge 600	1,000	2,131	1,240	3,230	19,494	11,887
Lancer	400	1,922	622	1,524	19,342	6,317
Diplomat	0	866	0	0	6,328	4
FORD MOTOR	43,938	40,090	42,828	130,409	415,733	474,987
Ford Division	30,917	27,574	30,217	92,220	283,683	327,157
Escort	8,336	9,003	8,258	24,996	93,650	85,104
Mustang	5,338	4,162	4,529	15,022	47,130	52,003
Tempo	4,476	4,251	4,380	13,286	49,144	46,052
Taurus	9,350	6,497	9,652	28,702	52,157	110,583
Thunderbird	3,417	3,661	3,398	10,234	41,602	33,415
L-M Division	13,021	12,516	12,611	38,189	132,050	147,830
Mercury Total	8,955	8,236	8,511	25,946	87,994	105,617
Lynx	1,023	1,337	1,082	3,180	15,945	14,198
Capri	0	305	0	0	4,010	0
Topaz	1,021	1,167	1,088	3,206	15,443	13,840
Cougar	3,429	2,452	3,368	10,178	27,550	43,155
Sable	3,482	2,975	2,973	9,382	25,046	34,424
Lincoln Total	4,066	4,280	4,100	12,243	44,056	42,213
Continental	406	477	413	1,227	5,040	4,229
Lincoln	3,049	3,209	3,074	9,182	33,051	31,656
Mark VII	611	594	613	1,834	5,965	6,328
GENERAL MOTORS	89,055	93,614	85,087	264,356	1,101,970	911,604
Buick Total	14,314	14,844	13,667	41,043	174,464	150,862
Skyhawk	875	1,843	883	2,639	20,623	10,756
Century	4,339	4,590	4,426	13,397	57,115	47,599
Regal	1,055	1,525	1,063	3,117	10,896	11,166
Somerset/Skylark	2,045	1,929	1,973	5,974	22,435	21,006
LeSabre (fwd)	2,930	2,597	2,575	6,676	23,941	24,602
LeSabre/Electra (rwd)	290	368	327	900	3,136	4,912
Electra (fwd)	2,481	1,452	2,420	7,365	31,379	25,289
Riviera	299	540	0	775	4,939	5,530
Cadillac Total	8,208	6,946	6,769	22,637	71,837	80,757
Cimarron	452	715	501	1,375	5,832	5,114
Allante	65	0	49	169	0	540
Brougham (rwd)	2,340	2,005	2,193	6,743	18,792	22,001
DeVille (fwd)	4,000	3,236	4,026	12,094	38,434	41,743
Eldorado	718	574	0	1,155	4,990	4,276
Seville	633	416	0	1,101	3,789	7,083
Chevrolet Total	33,980	27,507	31,086	99,815	365,240	331,757
Chevette	0	2,178	0	0	29,022	0
Camaro	1,115	2,162	0	2,230	53,783	17,964
Cavalier	8,074	8,568	7,948	24,092	105,680	83,998
Celebrity	8,932	7,286	8,880	26,652	75,376	91,734
Corsica/Beretta	8,015	0	5,124	20,697	0	61,545
Monte Carlo	2,019	2,623	2,518	7,030	29,358	16,999
Chevrolet	5,185	3,882	5,970	17,188	66,413	52,430
Corvette	640	808	646	1,926	5,608	7,087
Oldsmobile Total	15,638	26,643	16,793	50,427	281,622	175,816
Firenza	325	1,401	294	886	12,595	5,021
Calais	2,755	2,788	2,645	8,039	35,733	28,788
Cutlass Ciera	3,589	4,904	3,615	10,960	72,114	46,211
Cutlass Supreme	1,250	4,108	2,535	5,927	51,419	12,089
88 (fwd)	5,008	9,910	5,063	16,270	67,238	53,809
88 (rwd)	380	470	383	1,132	5,916	4,472
Olds 98	1,876	2,679	2,258	6,396	33,078	21,190
Toronado	455	383	0	805	3,529	4,256
Pontiac Total	16,915	17,674	16,772	50,434	206,807	172,412
Acadian*	0	413	0	0	3,602	0
Fiero	1,076	2,225	1,199	3,446	21,144	8,744
1000	0	1,193	0	0	9,226	0
Firebird	1,056	1,114	1,012	3,122	30,499	16,470
2000 Sunbird	2,964	3,136	2,884	8,812	34,116	28,054
Grand Am	6,080	4,889	5,817	17,657	51,651	61,056
6000	2,280	3,108	2,303	6,863	38,158	20,196
Bonneville	3,150	0	3,159	9,459	0	34,909
Safari/Parisienne	310	1,596	398	1,075	20,409	2,983
HONDA	7,315	3,535	7,351	21,373	41,796	77,557
Civic	1,845	0	1,738	5,581	0	28,706
Accord	5,470	3,535	5,613	15,792	41,796	48,851
NISSAN	2,920	1,758	2,972	8,860	21,459	32,152
NUMMI	4,000	3,250	3,853	11,920	30,980	44,540
Corolla	750	0	848	2,422	0	9,099
Nova	3,250	3,250	3,005	9,498	30,980	35,441
VOLKSWAGEN	1,950	2,030	1,939	5,919	20,363	17,864
Golf/GTI	1,750	2,030	1,689	5,219	20,363	15,664
Jetta	200	0	250	700	0	2,200
Total Cars, U.S.	169,353	176,995	167,143	510,092	1,986,709	1,844,187
Total Cars, Canada	17,820	24,605	17,613	52,918	250,079	206,677
N. American Cars	187,173	201,600	184,756	563,010	2,236,788	2,050,864
N. American Trucks	98,037	94,485	98,162	294,416	1,042,844	1,045,407
North American Cars and Trucks	285,210	296,085	282,918	857,426	3,279,632	3,096,271

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Australian auto tariffs under fire

By Pedr Davis
SPECIAL CORRESPONDENT

SYDNEY, Australia — The Australian vehicle importing industry is attempting to persuade the federal government to reduce import tariffs. This, it says, would help curb a situation that has reached disastrous proportions.

Several industry executives have declared that the tariff on fully imported cars (currently 57.5 percent on landed cost) should be cut by an amount equal to the devaluation of the Australian dollar.

This country's dollar has fallen by almost 50 percent in respect to the Japanese yen and by 25 percent in respect to the U.S. dollar.

"A staggering $63,000 ($43,450 U.S.) of the price of this new car goes to the government in tax," said Ron Meatchem, managing director of BMW Australia, during the launch of the new $127,000 ($87,585 U.S.) 7-series model at the Melbourne auto show.

Meatchem said that the slump in locally made cars was costing the government huge sums in lost sales tax. This tax stands at 20 percent for cars under $30,000 and 30 percent on more expensive models.

Imported cars, which had been averaging 20 percent of total sales compared with early last year, are now below 10 percent.

In a strange alliance, the trade union movement is siding with the vehicle importers. The secretary of the NSW Vehicle Builders' Union, Bill Taylor, said the sales slump will mean continuing job losses.

Taylor blamed high interest rates, huge price rises following the devaluation of the Australian dollar, the fringe-benefit tax and the introduction of the so-called super tax on luxury cars imposed late last year.

PPG to operate Reatta paint shop

LANSING, Mich. — General Motors and PPG Industries announced an innovative agreement in which PPG will assume total responsibility for operation of the paint shop for GM's Buick Reatta.

The two-seater, which will be introduced in spring 1988, is being built at the Reatta Craft Centre, a part of the former Oldsmobile complex here. Production of pilot models began a week ago.

"Greater responsibility for suppliers is now an industry trend," said J. Robert Thompson, manager of the Buick Reatta Craft Centre. "Having PPG operate the paint shop for Buick Reatta is a natural extension of supplier responsibility, integrating PPG's coating expertise with the auto production expertise of GM."

GM will provide the area for the PPG paint facility, and PPG will spend $1 million to equip it.

The GM and PPG paint operations staffs have been consolidated under the PPG area manager, who reports to the facility's operations manager while remaining a PPG employee. The PPG area manager also is as a member of Thompson's GM staff.

During a transition period, GM salaried personnel policies will be administered jointly by PPG and Buick Reatta management. Eventually, all salaried paint shop personnel will be employed by PPG.

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STRIKES

New-model launches marred at GM, Ford

By Michelle Krebs, Joseph Bohn and David Versical
AUTOMOTIVE NEWS STAFF REPORTERS

Important new-product launches at General Motors and Ford were marred by worker strikes — leaving dealers short of Mercury Tracers and threatening the supply of GM's full-sized pickups at a time when brisk sales were anticipated for both.

In the strike begun last Thursday by 9,000 hourly workers at GM's Truck & Bus plants in Pontiac, Mich., the issues were the same controversial ones expected to be in the forefront of this year's auto negotiations at GM and Ford — subcontracting outside the company, the elimination of job classifications, line speedups and health and safety.

The Pontiac plant is one of three producing the new C/K series pickups, scheduled for official introduction April 24. And if the strike lasts very long, it could hamper the launch of the highly touted truck, since Pontiac has been building 30 percent of the output.

Dealer-factory inventories included 30,200 C/K units as of March 20 — a four- to six-week supply if it sold at the high levels of its Ford and Chrysler competitors.

"No time is good for a strike," said Pontiac Local 594 President Donny G. Douglas. "But a lot of the marbles are in our corner now."

Workers at Ford's new plant in Hermosillo, Mexico, were also having a major impact on a new product launch — in this case limiting the supply of Lincoln-Mercury Division's Tracer, which officially debuted last Thursday, because workers were in the midst of a month-long strike.

The Hermosillo strike left L-M's 2,750 dealers with an average of less than two Tracers each at the onset of the largest advertising campaign in the division's history, estimated to cost $38 million.

AUTOMOTIVE NEWS/JOE WILSSENS

9,000 hourly workers at GM's Truck and Bus plants in Pontiac, Mich., walked last Thursday

Since the new plant had been turning out 200 cars a day, the walkout has cost the company about 4,000 units during the last four weeks. But L-M officials said last week that with about 3,600 cars in dealers' hands and the advertising in place, it would go ahead with the launch despite the uncertainty of future supplies.

L-M dealers view the Tracer as particularly important because it finally gives them a small car they can call their own. It replaces the Mercury Lynx, a subcompact that will be phased out by the end of the year.

Kevin Darcy, sales manager at Bay State Lincoln-Mercury in Framingham, Mass., had sold two Tracers and had eight others in stock last week.

"It gives us a car that is entirely different than a Ford car," he said. "It would be nice to have about 10."

Other L-M dealers said they had about five Tracers in stock. Those dealers outside major cities, especially those teamed with Ford, were expected to have lower supplies.

Meanwhile, negotiators for Ford and the Hermosillo local of the Ford Motor Co. Workers Union appeared to be far from a settlement. The two sides were scheduled to meet late Friday for their first session in a week.

According to Edgardo Vazquez, strike committee president, the union has asked for a 70

see STRIKES, page 56

GM cuts output plan by 100,000

By Michelle Krebs and Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Bloated inventories have forced General Motors to cut close to 100,000 cars from its second-quarter production schedule, which could result in even more layoffs than occurred in the first quarter.

GM declined to confirm the scheduling adjustment but sources both within GM and on the outside said GM scaled back its original second-quarter production schedule by about 9 percent to roughly 1,042,708 units. That was down 2 percent from second-quarter production in 1986.

While GM is cutting its production, Ford Motor Co. boosted its second quarter production schedule by 52,000 cars to 485,000.

The most recent production adjustment at GM is yet another in a trend that has been its story of the 1987 model year. And industry analysts predict it won't be the end of the trend. They expect even deeper cuts in production schedules before

see GM, page 57

AUDI

$5,000 discounts offered to owners

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Audi of America will offer 140,000 owners or lessees of Audi 5000s a $5,000 discount on a 1987 model.

The direct mail, 90-day program, called Audi Private Purchase Plan, is tailored to assist current owners. The program runs from April 1 to June 30.

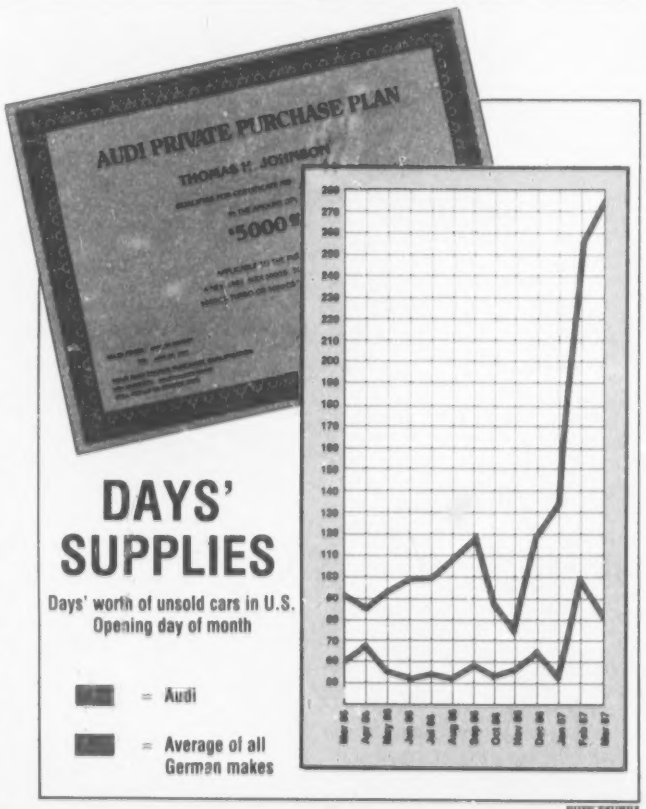
It is the latest move in a campaign to bolster Audi's image, improve sales, reduce inventories, reassure owners and support resale value of 5000 models. All those problems stem from the "unintended acceleration" controversy.

"What we're trying to do is show our loyal owner base that we're absolutely committed to the American market," an Audi spokesman said.

"These people made a commitment to us, and we're making a commitment right back," he said.

"We're not looking for conquest sales. We want to help our own."

see AUDI, page 54



RUTH KALINSKI

Chevrolet to fight imports with '88 entry-level cars

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet will offer entry-level versions of the Japanese-built Sprint and Spectrum this fall to compete head-to-head with the Hyundai Excel and other small cars priced under $6,000.

The entry-level Sprint, which will be the lower-priced of the two models, would be priced just over $5,000, were it priced today, sources said.

The Sprint is made by Suzuki, and the Spectrum is made by Isuzu.

Chevrolet would not confirm the move, but sources said the division will offer the entry-level models to fill a void left by the discontinuation of the Chevette.

The Chevette had a base price of $4,995 when production ended in December. Dealers said the $4,995 price tag drew showroom traffic. Dropping the Chevette left Chevrolet without a model priced closer to $5,000 than to $6,000 and left dealers without a price leader.

see CHEVROLET, page 54

U.S. Alfa dealers safe, Fiat says

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

TURIN, Italy — Though courted by Chrysler and others, Fiat will stick with its present Alfa Romeo dealer body in the United States, at least until the Alfa 164 luxury model debuts in America late next year.

Fiat Auto Chairman Vittorio Ghidella said in an interview that Fiat's answer to potential U.S. partners is "we must wait." In addition, he said that Lancia, the Fiat-owned marque now merged with Alfa, will not be reintroduced on the American market.

Ghidella also said a U.S. producer has offered to buy some of Fiat's Brazilian production for distribution in the United States, but he added that Fiat is not interested at this time.

Ghidella said he is "dubious" about the benefits of using an American manufacturer's dealer body to increase Alfa volume, and

see ALFA, page 53

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GM products to die if they can't compete Page 56

Makers get delay on passive restraints Page 58

Cappy says buyout would be 'positive' for AMC dealers

By Mary Connelly and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

In his first public comment on the proposed Chrysler Corp. buyout of American Motors, AMC President Joseph Cappy told a group of AMC's top dealers that the marriage would be a "positive thing for dealers."

But if the Chrysler buyout is finalized, Chryler will have the right to brand a Jeep with a Chrysler nameplate and sell it through its dealerships, according to documents filed with the Securities and Exchange Commission.

Cappy told the dealers at a three-day meeting in Naples, Fla., that "there is a lot still to be done," according to a dealer in attendance.

The AMC chief was said to be surprised but not shocked by Chrysler Corp.'s March 9 bid to acquire AMC.

Despite an upbeat atmosphere at the meeting, dealers reportedly expressed concern over who would be in charge of AMC's products at Chrysler and what — if any — Chrysler products would be available to AMC dealers.

Company representatives reportedly told dealers that they were confident that some Chrysler products would be sold through AMC dealers after the acquisition was approved, the dealer said. Several other AMC dealers interviewed last week said they hope Chrysler will make its popular minivans available to them.

In other developments last week, two bond-rating services upheld their ratings of Chrysler debt despite the proposed buyout.

Moody's Investors Service confirmed the long-term debt rating of Chrysler Corp. and its subsidiary, Chrysler Financial Corp. Moody's said it recognizes the "potential benefits of the proposed acquisition of AMC to Chrysler's business position and to its marketing and distribution capabilities."

Moody's termed "manageable" Chrysler's risks in seeking expanded plant capacity "during a period of industry stress" and in view of AMC product liability litigation.

Moody's said the purchase of AMC "undercuts some of the progress Chrysler has made in improving its financial condition and cost structure." It also noted that if the purchase is completed, Chrysler will assume "substantial debt and unfunded pension liabilities" and will acquire two "highly inefficient" plants.

But the rating service said the negative impact on Chrysler will be temporary. The acquisition, Moody's said, fits Chrysler strategy of strengthening its position in the sport/utility market. It also will give Chrysler "a much-needed modern assembly facility," Moody's said.

Standard & Poors also affirmed Chrysler's long-term debt ratings and removed the company from its CreditWatch, affecting about $19 billion of debt and commercial paper. S&P had placed Chrysler on its CreditWatch March 9 following Chrysler's announcement of its planned acquisition of AMC.

S&P said AMC's debt ratings remain on CreditWatch with positive implications pending the deal's outcome.

S&P said it takes "a strongly negative view of the AMC acquisition, questioning both its long-term strategic value and its high price, which totals about $2 billion including debt and pension liabilities to be assumed."

S&P said the purchase is an "aggressive attempt" by Chrysler to increase market share in time of intensive competition and departs from the company's strategy of minimizing fixed costs.

However, S&P said, existing operations' strong cash flow ultimately will offset the negative effect of the AMC purchase.

Documents filed with the Securities and Exchange Commission outlining Chrysler's intent to acquire the 46.1 percent share of AMC owned by Renault outline the following details regarding AMC products:

- Jeep: Chrysler will pay Renault $400 per Jeep vehicle up to a maximum of $200 million for any vehicle sold in excess of 900,000 between Jan. 1, 1987, and Dec. 31, 1991. The documents identified Jeep vehicles as "including Chrysler branded products" and those sold "through any channel."

This is the first indication that Chrysler may be considering putting its own name on a Jeep product and distributing it through its own dealer network.

see CHRYSLER, page 51

AMC audit qualified; Chrysler bid unaffected

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

The auditing firm Touche Ross & Co. qualified its statement on American Motors' financial results because of a $64 million arbitration award against AMC involving its former AM General subsidiary.

Touche Ross said it does not know how the award, which is being challenged in court by AMC, will affect the automaker's financial picture.

Spokesmen for AMC and Chrysler Corp. said the qualification will not affect Chrysler's bid to acquire AMC. The issue of indemnification was not raised in Chrysler's March 9 letter of agreement to purchase AMC stock from Renault.

The arbitration award, announced in February, was based on a 1980 dispute between AM General, a military vehicle maker formerly owned by AMC, and Emerson Electric Co. Emerson charged that AM General breached a contract that would have allowed Emerson to supply parts for AM General's new military vehicle, the Highly Mobile Multi-Wheeled Vehicle (HMMWV).

AMC sold AM General to LTV Corp. for $170 million in March 1983. As part of the sale, AMC agreed to indemnify LTV against any losses resulting from the Emerson claim.

AMC said it will "vigorously" challenge the arbitrator's decision in court.

72-month loans on Chrysler vans

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Credit Corp. has become the first of the Big Three captive finance companies to break the 60-month financing barrier by offering 72-month loans on its minivan lineup.

Chrysler Credit's strategy comes as dealers receive prices for the automaker's new stretched version of its popular Plymouth Voyager and Dodge Caravan minivans. The Grand Voyager and Grand Caravan, as they are called, are priced more than $800 above comparable editions of its standard-sized model. The new vehicles are 14.6 inches longer than the standard model and go on sale in April.

Six-year loans will be available on both standard-sized and stretched minivans.

Previously, 60-month terms were the longest available through Chrysler Credit, General Motors Acceptance Corp. and Ford Motor Credit Co.

Chrysler Credit said the 72-month financing is not yet available in California, Oklahoma and Utah but is expected as soon as Chrysler completes state law requirements regarding interest rates in those states.

The 72-month terms are not an industry first. While the captive finance companies have not offered six-year loans, banks have been offering 72-month loans for recreational vehicles and expensive luxury cars.

Chrysler said it is offering the longer loan terms because it wants to be able to promote lower monthly payments.

"We want to make sure that vehicle is available to as many people as possible," a Chrysler spokesman said. "We are trying to make that vehicle appeal to people who are on a monthly budget."

Chrysler Motors began producing the longer version of the minivan the week of March 16 at its St. Louis, Mo., assembly plant No. 2.

The stretched version is 190.5 inches long.

The Grand Caravan SE and Grand Voyager SE will carry a base retail price of $11,751, according to Plymouth and Dodge dealer sources. The Grand Caravan LE and Grand Voyager LE will retail at $12,561.

The $11,751 price of the Grand Voyager SE and Grand Caravan SE compares to a retail price of $10,875 for the standard-sized Voyager SE and Caravan SE.

The retail price of the Voyager LE and Caravan LE is $11,741, $820 less than the $12,561 price for the Grand Voyager LE and Grand Caravan LE.

The standard-sized Caravan and Voyager models also are available in a base edition, priced at $10,411.

Engines in the standard and stretch minivans are different.

Stretched version of Dodge Caravan

Chrysler's stretched minivans carry a standard four-cylinder, 2.5 liter engine. The standard-sized Caravan and Voyager carry a four-cylinder, 2.2-liter engine.

A new V-6, 3.0-liter engine developed by Chrysler and Mitsubishi Motors Corp. and produced by Mitsubishi will be offered as an option in both the standard and stretch models. The new engine will replace a 2.6-liter four-cylinder engine that had been offered as optional equipment on the standard-sized Caravan and Voyager.

Chrysler will have the capacity to produce 160,000 stretched minivans at its St. Louis plant, which underwent a $475 million renovation. The company will continue to produce the standard-sized minivans at its Windsor, Ontario, assembly plant.

Chrysler, which created a new market when it introduced the minivan in January 1984, sold 226,047 Voyagers and Caravans in the 1986 calendar year.

TERRIFIC

Chevrolet dealers hail Corsica/Beretta launch

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet dealers say the launch of the Corsica and Beretta has been the most successful since the introduction of the Citation in 1979.

Dealers contacted by Automotive News said showroom traffic has been brisk and early sales have been strong — stronger than on most new cars at a time when the market is soft.

The official introduction was March 12, though dealers have been selling the cars since early January. Chevrolet had sold 8,480 Beretta/Corsica models as of March 20. Its sales goal is 500,000 units annually.

Dealers said the reason for the successful launch is the styling, pricing and quality of the cars, the way the cars were launched, and the big promotion behind the cars.

In another sales success story at General Motors, the hot-selling Cadillac Allante nearly met its sales goal for the year in the first weeks after introduction.

In its first month on the market, Cadillac has taken 3,000 dealer orders for the $54,700 two-seaters. The division's goal for the year was 4,000. Retail sales so far are 247 Allantes, and it is not known how many dealer orders are actually customers' orders.

GM's new pickups are hot, too. Several GM dealers said they are selling all the new full-size pickup trucks they can get, though the official introduction date is not until April 24. The C/K trucks are sold through Chevrolet and GMC dealers.

Chevy dealers said customers have been drawn to their showrooms by the styling of the Corsica and Beretta. Dealers polled by Automotive News said they are impressed with the quality, though some mentioned that the aerodynamic styling and better quality are long overdue.

"It looks like the car we should have had two years ago," one said.

Early sales indicate the Beretta coupe is selling somewhat better than the Corsica sedan. Chevrolet expected that would happen initially but predicted the mix will eventually even out. Buyers of sportier cars such as the Beretta tend to be impulsive, wanting to be the first on the block with a new model, dealers said.

see LAUNCH, page 54

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61st year—No. 5173

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Suzuki hangs on to sales strategy

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

BREA, Calif. — Even when Suzuki of America reaches 49-state dealership representation and multi-model status late next year, it will not abandon the retailing philosophy that made it successful in launching its first automotive product, the four-wheel-drive Samurai.

N. Douglas Mazza, newly appointed vice president and general manager, said, "We tell all our people when they hire in that we are in the retailing business, not the automobile distribution business."

It is an important distinction for someone marketing in a maturing industry, especially one which has often considered itself different from traditional retailing, Mazza said.

"We are able to concentrate on a quick inventory turnover," he said. "That eliminates rebates and incentives. It's the most profitable way to run a dealership."

The key to quick turnover is accurate forecasting that is constantly updated to avoid oversupply, Mazza said. "You must forecast the market, not market the forecast," he said.

Mazza

The second ingredient to quick turnover is what Mazza calls a retail point of view.

"This product is made to sell at retail, so everything you do is oriented toward that, from the (dealership) facility to the environment," he said. "Our dealers have the accessories display right in the showroom instead of the parts department, because those accessories are most likely to be ordered while the customer is in the buying process."

Suzuki is averaging an 18-day supply. Sales are growing rapidly since the November 1985

see SUZUKI, page 54

AUCTION DATES

American Motors

March 31 — D-A Auto Auction, New Stanton, Pa.

April 1 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

April 2 — Aptco Auto Auction (dealer only), Taylor, Mich., and Todd Auto Auction, Telford, Pa.

April 7 — D-A Auto Auction, New Stanton, Pa.

April 8 — Minneapolis Auto Auction, Plymouth, Minn.

April 9 — Corry Auto Auction, Corry, Pa.

April 10 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

March 31 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Golden Gate Auto Auction, Fremont, Calif.; Arena Auto Auction, Chicago; and Hatfield Auto Auction, Hatfield, Pa.

April 1 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

April 2 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange Auto Auction, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

April 7 — Hatfield Auto Auction, Hatfield, Pa.; Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; Nu-CarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

April 8 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

April 9 — Fredricksburg Auto Auction, Fredericksburg, Va.

April 10 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

March 31 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

April 1 — Northway Auto Auction, Clifton Park, N.Y.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

April 2 — Nashville Auto Auction, Nashville, Tenn., and Skyline Auto Exchange, Fairfield, N.J.

April 8 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; Salt Lake Auto Auction, Salt Lake City; Southern California Auto Auction, Fontana, Calif.

April 9 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

April 15 — Lakeland Auto Auction, Lakeland, Fla.

April 16 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

April 21 — South Seattle Auto Auction, Kent, Wash.

April 22 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

April 23 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

April 24 — Interstate Auto Auction, Mercer, Pa.

April 28 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

April 29 — Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

April 30 — Nashville Auto Auction, Nashville, Tenn.

General Motors

March 31 — Dallas Auto Auction, Dallas, and 166 Auto Auction, Springfield, Mo.

April 1 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

April 2 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

April 7 — Denver Auto Auction, Englewood, Colo.

April 8 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

March to date	$5,822
Month ago	$5,711
Year ago	$4,899

Model Breakdown
Auction Averages

	MAR 1987	FEB 1987	JAN 1987
1987	$13,429	$13,406	$13,158
1986	$9,632	$10,038	$11,481
1985	$7,357	$7,382	$7,054
1984	$5,840	$5,940	$5,811
1983	$4,842	$4,843	$4,995
1982	$3,750	$3,628	$3,599
1981	$2,599	$2,537	$2,614
1980	$2,135	$2,167	$1,997
Overall Average	$5,822	$5,711	$5,129

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Dealer hit for failing to check miles

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The license of Vic Hansen and Sons Inc., a used-car dealership in Beloit, Wis., has been suspended for 90 days because of odometer fraud. The suspension began March 2.

The dealership was not charged with actually tampering with odometers but with neglecting to verify the true mileage of 22 cars.

Wisconsin law requires a dealer to attempt to verify the true mileage of cars offered for sale and to inform customers if there is a discrepancy between the odometer reading and the actual mileage.

The Department of Motor Vehicles charged that Vic Hansen and Sons certified the readings of odometers that had been rolled back an average of more than 34,000 miles.

The cars, which had been brought from Kentucky, were purchased at a Chicago auction.

The Wisconsin courts concluded that by November 1980, the firm "knew or should have known that vehicles purchased wholesale from Kentucky dealers were likely to have had their odometers altered."

The suspension followed a three-year court battle in which Wisconsin Commissioner of Transportation Joseph Sweda's ruling of February 1984 was overturned in Rock County Circuit Court, then upheld by the Court of Appeals.

The Supreme Court reviewed the Appeals Court verdict in February and refused to reopen the case.

The original investigation involved 44 vehicles purchased at the Chicago auction and sold by the dealership between 1978 and 1981. The final charges involve only vehicles sold between November 1980 and September 1981.

The commissioner's decision said that although there was no evidence of tampering with the odometers of most cars in question, the Hansen firm should have suspected such tampering. The decision said that the Wisconsin Automobile and Truck Dealers Association had sent a bulletin to dealers in 1976 warning about odometer tampering by Kentucky dealers.

The Wisconsin association sent a subsequent bulletin on the problem in September 1980, and the Wisconsin Department of Motor Vehicles sent a letter about the problem to all dealers in October 1980.

According to court documents, the DMV sent a second such letter in October 1981.

"I'm very disappointed — the courts are wrong," said Gary Antoniewicz, of Antoniewicz and Gregg, Vic Hansen's attorney.

"They have watered down the definition of fraud," Antoniewicz said. "There was no evidence of fraudulent conduct." He said his clients said they didn't recall seeing the association's bulletins or the first letter.

"They said they saw the second letter and they quit buying cars from Kentucky after that," Antoniewicz said.

He said he foresees similar cases in Wisconsin. "If dealers don't read their mail, they can be charged with fraud," he said.

"To me, fraud means real egregious intentional action.

"Everybody in the trade now knows that cars from Murray, Ky., are suspect. But from 1978-81, what responsibility did a dealer have to know that?"

White Engine courting Big 3

CANTON, Ohio — The new owner of White Engine, a military and industrial engine maker, wants to supply the company's 3.7-liter, four-cylinder turbodiesel to manufacturers of Class 2 and 3 delivery vehicles.

Donald C. Stewart, an investment banker, who recently bought the company along with a group of White executives, said the company has discussed supplying the engine with representatives of the Big Three.

White's major business is supplying replacement engines for military Jeeps and trucks.

Stewart bought the company for approximately $57 million from John J. Lennon, White chairman, and the heirs of Edward Reddig. Reddig and Lennon bought White Engine from White Motor Corp. in 1976.

Stewart will be active in the management of the company as president and chief executive officer. Lennon will continue as chairman.

The company's name will be changed to Hercules Engines Inc.

The company was founded by automotive pioneer Henry Timken with the Hercules name in 1915 and is considered to be the nation's oldest manufacturer of diesel engines for motor vehicles.

New plant in Canada to be Honda supplier

TOTTENHAM, Ontario — Newly formed F&P Manufacturing will build an automotive parts facility here to serve a nearby Honda assembly plant.

The $33.75 million (U.S.) facility is a joint venture by the Japanese firms Fukuda Press Industry Co. and Yutaka Giken Co. It will produce front engine mounts, center beams and rear axle beams by this fall.

Ford executives to share record $167 million in bonuses

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co., coming off a record $3.3 billion profit in 1986, has set aside an all-time high $167 million for executive bonuses.

The payout amounts to about 69 percent of the $241.9 million that could have been paid under the company's bonus formula. But Ford has earmarked $74.9 million of that total for other company business.

Last year, Ford distributed $125 million, or 76 percent, of the $164.4 million allowed by the formula. The company's top 44 officers averaged $363,227 each in bonuses, while payouts for the remaining 5,559 eligible executives averaged $19,611 each.

The average bonus will likely be higher this year because fewer workers will be sharing a larger pool. The exact number of eligible employees, whose ranks have been dwindling in ongoing white-collar staff cuts, will be revealed in the company's annual proxy statement, due to be issued by mid-April.

The UAW, in a harshly worded statement, criticized Ford's bonus payments.

The union accused the company of succumbing to greed at a time when suppliers and lower-level employees are tightening their belts in the name of efficiency.

"Ford's profitability is no excuse for dipping into the till in this fashion," said UAW Vice President Stephen P. Yokich, who will lead the union as it negotiates a new contract with Ford later this year.

"For every brilliant decision the executives made in 1986, they made another dumb decision, and this one tops the list," he said.

This year's payout marks the fourth consecutive year that payments have been made under the company's three-decade-old bonus plan. No bonuses were distributed from 1980-82, when Ford lost money.

In 1978, the company adopted a rule allowing it to put aside some of the bonus allowances for other purposes. Before that, any supplemental compensation that was not awarded in a given year was put in a reserve bonus pool. Executive bonus payments of $70 million in 1979, for example, included $31 million from that year's profits and $39 million carried over from previous reserves, a spokesman said.

General Motors has allocated $169 million for bonuses this year. Chrysler Corp. has said it will pay up to $102 million.

Information on Ford's bonuses was included in its 1986 annual report, which was released last week. The report noted that while 1986 was Ford's most profitable year ever, the company will continue efforts to improve quality and cut costs.

The company also described this year's UAW negotiations as "one of the most critical and sensitive challenges" of the year. Job security and the need to improve competitiveness will be at the forefront of the discussions, the report said.

DOMESTIC SALES

	Mar. 11-20, 1987	Mar. 11-20, 1986
Renault		
Alliance-Encore	645†	1,850†
AMC	145†	250†
American Motors	790	2,100
Chrysler	7,721	10,998
Plymouth	11,402	8,740
Dodge	11,786	12,347
Chrysler Motors	30,909	32,085
Ford	47,775	39,394
Mercury	15,322	14,505
Lincoln	4,575	4,830
Ford Motor Co.	67,672	58,729
Buick	14,023	19,622
Cadillac	6,629	8,634
Chevrolet	39,621	47,160
Oldsmobile	24,178	24,445
Pontiac	20,987	23,826
General Motors	105,438	123,687
Volkswagen	1,330	2,047
Honda	7,447	5,031
Nissan	3,358	3,033
Toyota	995	0
U.S. Industry Total	217,939	226,712

†—Estimate

Sales drop 3% for mid-March

Sales of U.S.-built cars slipped a bit in mid-March. The total was 217,939, down 3.87 percent from the 226,712 sold in the March 11-20 period a year earlier.

The daily selling rate in mid-March was 24,215, compared with 22,728 for March 1-10. The daily selling rate has increased steadily, albeit modestly, during 1987. Gains have been posted in all but one of this year's 10-day periods.

However, the mid-March total of 24,215 was lower than the year-ago score of 25,190.

Increases in retail deliveries of new U.S.-made cars were reported by Honda, up 48.02 percent over year-earlier sales, and by Ford, up 15.22 percent. Nissan had an increase of 10.72 percent.

American Motors reported a drop of 62.38 percent. Volkswagen had a decline of 35.03 percent, and General Motors had a fall-off of 14.75 percent. Chrysler Motors dealers reported a 3.67 percent dip in sales in the period.

Toyota, which did not sell U.S.-made cars a year ago, reported mid-March sales of 995 units.

Chevrolet Corsica/Beretta had sales of 2,726 units in the 10 days, and Cadillac Allante had 107.

OBITUARIES

H.J. Cordes

PASS CHRISTIAN, Miss. — H.J. "Pete" Cordes, 64, retired Chevrolet truck advertising manager, died here March 4. Mr. Cordes was with Chevrolet 43 years. He became supervisor of advertising media in 1962, passenger-car advertising manager in 1971 and truck advertising manager in 1977. He supervised Chevrolet's award-winning "Lean on Me" truck advertising campaign in 1985-86.

Meet two of the most efficient moving parts in the Mack® organization. Al Rix and John Guizzetti represent an emerging new generation of distributors, driven by superior customer service and leadership in medium and heavy-duty trucks.

In just 10 years, Al's distributorship has become the dominant force in the Harrisburg, Pennsylvania area, commanding nearly a 30% share of its market segment. Now he's investing in a brand-new facility for even better coverage. John joined Mack in 1981, and has won back-to-back Distributor of the Year honors for his Richmond Hill, Ontario location in Canada. Today, he owns over a 50% share of his marketplace.

We're proud of Al, John, and the hundreds of other talented Mack distributors who consistently raise the standards of performance. At Mack, they are the indispensable components that can't be factory-installed.

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PRODUCTION

2-millionth car built

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automaker's built their two-millionth car of the year last Friday (March 27), four days behind 1986.

So far this year, 2,013,069 cars have been assembled, 4.94 percent fewer than the 2,117,577 completed last year at this point.

Targeted auto output of 167,086 cars last week was 2.37 percent below the previous week's 171,149 but 26.45 percent more than the year-ago week's 132,138, which reflected the Easter holiday.

Last week's scheduled production was split this way: General Motors, 52.48 percent; Ford Motor Co., 25.59 percent; Chrysler Motors, 12.15 percent; Honda of America Manufacturing Inc., 3.98 percent; New United Motor Manufacturing Inc., 2.39 percent; Nissan Motor Manufacturing Co., U.S.A., 1.75 percent; Volkswagen of America, 1.20 percent; and American Motors, 0.46 percent.

GM's Pontiac Fiero plant in Pontiac, Mich., is idle this week (March 30) for inventory adjustment, affecting 1,000 workers. The plant is scheduled to resume output April 13.

The GM Arlington, Texas, plant resumed production today (March 30). The plant was idle for two weeks for inventory adjustment.

As previously reported, GM's Lakewood, Ga., plant will be idle until early May for model changeover.

Saturday (March 28) overtime was slated for GM's Fairfax, Kan., plant.

Chrysler's Detroit plant was scheduled for Saturday overtime.

Daily overtime is slated this week for Chrysler's Newark, Del., and Sterling Heights, Mich., plants.

Trucks boost lead over '86 total

U.S. truck production continues to inch farther above the 1986 year-to-date total.

So far this year, 941,448 trucks have been built, 6.47 percent more than the 884,219 assembled last year at this point.

Last week's scheduled output of 79,883 units was slightly (0.38 percent) below the prior week's 80,185 but 33.58 percent more than the year-ago week's 59,801. The year-ago week's production was affected by the Easter holiday.

Ford Motor Co. slated Saturday (March 28) overtime at its Norfolk, Va., and Twin Cities, Minn., plants.

All Ford truck plants are scheduled for daily overtime this week (March 30).

Daily overtime is scheduled for Chrysler Motors' Warren, Mich., plant this week.

Canadian trucks reach 200,000

Canadian truck production passed the 200,000 mark last Friday (March 27), 10 days behind 1986.

Canadian car production reached 200,000 a week earlier.

So far this year, 201,818 trucks have been assembled, 12.95 percent below the 231,853 completed last year at this point.

Last week's estimated truck production of 18,472 was 6.43 percent more than the prior week's 17,356 and 13.49 percent more than the year-ago week's 16,277.

Car output of 17,820 last week was 1.61 percent more than the previous week's 17,538 but 12.67 percent below the year-ago week's 20,405.

Year-to-date, 224,215 cars have been built, 16.94 percent below the 269,952 completed last year at this time.

As announced earlier, General Motors' Ste. Therese, Quebec, plant will be down for model changeover until May 18.

U.S. CAR	Week Ended March 28, 1987	Week Ended March 29, 1986	Week Ended March 21, 1987	March Est.	Jan. 1 to March 28, 1986	Jan. 1 to March 28, 1987
AMERICAN MOTORS	775	0	763	3,042	12,553	9,137
Renault Total	775	0	763	3,043	12,553	9,137
Alliance	775	0	763	3,043	11,011	9,137
Encore	0	0	0	0	1,542	0
CHRYSLER MOTORS	20,300	23,200	22,529	88,404	364,573	300,539
Plymouth Total	5,400	5,977	6,366	26,633	100,945	108,223
Horizon	0	2,189	0	2,014	37,743	32,324
Sundance	2,100	0	2,643	9,592	0	27,915
Reliant	2,300	2,680	2,677	10,550	44,676	32,927
Caravelle	1,000	967	1,046	4,477	15,294	15,053
Gran Fury	0	261	0	0	3,230	4
Chrysler Total	7,900	8,207	8,623	31,750	130,613	80,397
Laser	0	906	0	0	13,031	0
LeBaron K	1,800	1,733	2,266	8,249	31,477	22,683
LeBaron J	2,400	0	2,197	7,949	0	21,111
LeBaron GTS	800	2,131	939	3,509	27,250	10,274
New Yorker/E-Class	1,900	1,306	2,007	8,109	19,275	21,880
Fifth Avenue	1,000	2,131	1,214	3,934	39,580	4,449
Dodge Total	7,000	9,016	7,540	30,021	133,015	111,918
Daytona	1,200	835	1,007	4,030	12,382	10,660
Omni	0	2,206	0	1,770	38,585	27,744
Shadow	1,900	0	2,233	8,228	0	24,947
Aries	2,300	2,214	2,599	9,428	33,005	28,548
Dodge 600	1,000	1,555	1,023	4,253	21,325	12,910
Lancer	500	1,554	568	2,212	20,664	7,005
Diplomat	100	850	0	100	7,094	104
FORD MOTOR	42,751	31,257	43,602	172,824	446,675	517,402
Ford Division	29,611	21,164	30,592	121,506	304,555	356,443
Escort	6,395	6,591	8,222	33,277	100,183	93,385
Mustang	4,606	3,325	5,239	19,529	50,395	58,510
Tempo	3,824	3,415	4,404	17,018	52,423	49,804
Taurus	9,340	5,292	9,355	36,047	57,373	119,928
Thunderbird	3,446	2,541	3,372	13,635	44,181	36,816
L-M Division	13,140	10,093	13,010	51,318	142,120	160,959
Mercury Total	9,040	7,141	8,944	34,975	95,112	114,646
Lynx	1,055	967	1,023	4,235	16,898	15,253
Capri	0	380	0	0	4,312	0
Topaz	1,095	941	1,067	4,347	16,508	14,981
Cougar	3,435	2,302	3,377	13,561	29,910	46,538
Sable	3,455	2,551	3,477	12,832	27,484	37,874
Lincoln Total	4,100	2,952	4,066	16,343	47,008	46,313
Continental	408	330	410	1,639	5,367	4,641
Lincoln	3,076	2,215	3,049	12,258	25,265	34,732
Mark VII	616	407	607	2,446	6,376	6,940
GENERAL MOTORS	87,690	69,029	87,805	350,796	1,170,365	998,044
Buick Total	11,955	11,497	13,794	52,478	185,886	182,297
Skyhawk	878	1,458	850	3,492	22,099	11,611
Century	4,255	3,897	4,349	17,682	60,718	51,864
Regal	887	843	795	3,754	11,806	11,803
Somerset/Skylark	0	1,574	2,052	5,981	23,964	21,019
LeSabre (fwd)	2,780	2,039	2,885	9,411	25,988	27,137
LeSabre/Electra(rwd)	343	297	320	1,273	3,432	5,285
Electra (fwd)	2,481	1,193	2,414	9,779	32,509	27,703
Riviera	321	396	329	1,126	5,368	5,861
Cadillac Total	6,457	5,309	7,185	30,071	76,531	66,191
Cimarron	449	542	424	1,798	6,371	5,535
Allante	80	0	56	240	0	611
Brougham (rwd)	2,772	1,582	1,867	9,042	20,389	24,300
DeVille (fwd)	4,000	2,445	3,951	16,045	40,857	45,694
Eldorado	628	396	486	1,551	5,217	4,672
Seville	528	342	401	1,397	3,697	7,379
Chevrolet Total	36,359	19,872	33,767	135,961	384,571	367,903
Chevette	0	0	0	0	28,880	0
Camaro	3,994	1,639	1,115	5,324	55,519	21,058
Cavalier	8,077	6,950	8,038	32,133	112,389	92,039
Celebrity	8,956	5,444	6,963	35,659	80,571	100,741
Corsica/Beretta	7,936	0	7,917	28,535	0	69,383
Monte Carlo	1,728	2,086	2,019	8,756	31,445	18,727
Chevrolet	5,928	3,107	5,053	22,964	69,511	58,226
Corvette	640	646	642	2,568	6,256	7,729
Oldsmobile Total	13,457	19,453	16,176	64,422	302,418	189,811
Firenza	323	1,149	318	1,214	13,733	5,337
Calais	0	2,124	2,787	8,071	37,961	28,800
Cutlass Ciera	3,629	4,220	3,587	14,587	75,818	49,838
Cutlass Supreme	1,700	2,755	1,671	8,048	54,170	14,210
88 (fwd)	5,023	6,465	5,140	21,425	75,503	58,964
88 (rwd)	375	370	312	1,439	6,290	4,779
Olds 98	1,876	2,090	2,018	8,414	35,107	23,206
Toronado	531	280	343	1,224	3,836	4,675
Pontiac Total	17,462	12,898	16,893	67,864	220,959	189,842
Acadian*	0	0	0	0	4,015	0
Fiero	1,200	1,822	1,131	4,701	22,883	9,999
1000	0	0	0	0	9,419	0
Firebird	2,356	893	1,022	5,445	30,236	18,793
2000 Sunbird	2,983	2,514	2,966	11,777	36,612	31,019
Grand Am	5,120	3,961	6,126	22,823	55,580	66,222
6000	2,300	2,417	2,273	9,156	40,532	22,489
Bonneville	3,150	0	3,089	12,548	0	37,998
Safari/Parisienne	373	1,291	276	1,414	21,682	3,322
HONDA	6,650	2,794	7,379	28,087	44,671	84,271
Civic	1,484	0	1,806	7,026	0	30,151
Accord	5,166	2,794	5,573	21,061	44,671	54,120
NISSAN	2,920	1,160	2,946	11,806	22,517	35,098
MUMMI	4,000	3,070	4,111	16,031	34,230	48,651
Corolla	750	0	852	3,274	0	9,951
Nova	3,250	3,070	3,259	12,757	34,230	38,700
VOLKSWAGEN	2,000	1,628	2,014	7,883	21,993	19,923
Golf/GTI	1,750	1,628	1,764	6,933	21,993	17,423
Jetta	250	0	250	1,000	0	2,500
Total Cars, U.S.	167,086	132,138	171,149	678,974	2,117,577	2,013,069
Total Cars, Canada	17,820	20,405	17,538	70,456	269,952	224,215
N. American Cars	104,906	152,543	188,687	749,430	2,387,529	2,237,284
N. American Trucks	98,355	76,078	97,541	392,275	1,116,072	1,143,296
North American Cars and Trucks	283,261	228,621	286,228	1,141,705	3,503,601	3,380,580

All Ford and GM data in Canada.

CANADIAN CAR	Week Ended March 28, 1987	Week Ended March 29, 1986	Week Ended March 21, 1987	March Est.	Jan. 1 to March 28, 1986	Jan. 1 to March 28, 1987
AMERICAN MOTORS	150	94	160	629	1,557	1,855
FORD MOTOR	11,845	9,603	11,360	45,781	136,570	134,611
GENERAL MOTORS	5,800	10,528	5,592	22,373	129,154	63,336
HONDA	200	0	201	773	0	1,713
VOLVO	225	180	225	900	2,671	2,700
Total Cars, Canada	17,820	20,405	17,538	70,456	269,952	224,215

U.S. TRUCK☆	Week Ended March 28, 1987	Week Ended March 29, 1986	Week Ended March 21, 1987	March Est.	Jan. 1 to March 28, 1986	Jan. 1 to March 28, 1987
CHEVROLET	22,743	20,682	24,267	94,201	306,259	273,084
DODGE	5,200	132	5,463	21,520	8	60,562
FORD	33,455	24,451	32,302	132,213	393,062	392,100
GMC	8,295	5,972	7,918	32,035	94,111	93,972
NAVISTAR	1,610	1,290	1,616	6,434	18,417	18,774
JEEP	4,500	3,132	4,435	17,973	54,885	53,894
NISSAN	1,730	1,692	1,834	7,174	18,256	20,852
AM GENERAL*	50	50	50	200	622	600
MISCELLANEOUS*	2,300	2,400	2,300	9,200	28,600	27,600
Total Trucks, U.S.	79,883	59,801	80,185	320,950	894,219	941,448

CANADIAN TRUCK	Week Ended March 28, 1987	Week Ended March 29, 1986	Week Ended March 21, 1987	March Est.	Jan. 1 to March 28, 1986	Jan. 1 to March 28, 1987
AMERICAN MOTORS	625	616	643	2,564	2,133	7,594
CHRYSLER	8,494	7,818	9,178	35,127	110,013	106,135
FORD	3,648	3,042	3,242	13,304	42,806	39,750
GENERAL MOTORS	5,505	4,621	4,109	19,550	74,572	45,994
NAVISTAR	200	160	185	780	2,329	2,345
Total Trucks, Canada	18,472	16,277	17,356	71,325	231,853	201,818
N. American Trucks	98,355	76,078	97,541	392,275	853,667	1,143,266

BMW opens prep center in Georgia

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

MONTVALE, N.J. — BMW of North America opened its new vehicle preparation center (VPC) in the port of Brunswick, Ga., last week as part of an estimated $20 million program designed to bring all BMW vehicle preparation under the corporate umbrella.

The new center will serve 54 dealers in the Southeast.

Michael B. Jackling, executive vice president of BMWNA, said the BMW-owned VPCs "give us the capability to deliver automobiles in showroom condition."

The program began in 1985 when BMW established a pilot VPC in LaPorte, Texas, near Houston. The company then was studying the benefits of operating its own prep centers and decided late last year to do so.

The VPCs are part of BMW's $100 million building and development project, which includes a new corporate headquarters near Montvale as well as regional buildings.

Eventually, BMW will operate four prep centers. The Texas site is already on stream and Brunswick will be fully operational in mid-1988. Until then, the company has contracted with International Auto Processing, also in Brunswick, to perform non-mechanical preparation work on the cars.

BMW has a contract to buy land in Point Hueneme, Calif., and also is considering several sites in the Northeast for a VPC.

Joachim Frings, vice president of engineering, said the company will continue to use the Port Newark-Elizabeth, N.J., port while looking for a Northeast location.

Late last year, BMW decided not to use Jacksonsville, Fla. The company cited air pollution, which damaged the finish of the cars, as a reason for leaving that port.

Brunswick was selected as the port and VPC site for BMW's Southeast operations.

The Brunswick VPC represents a $4.5 million investment for BMW in the building and equipment on a 25-acre site, which the company has leased for 15 years.

There is also an option with the Georgia Port Authority for three additional five-year extensions of the lease.

The Georgia facility will account for approximately 15 percent of BMW's national volume or about 16,000 units.

BMW says it won't enter domestic 'warranty war'

WASHINGTON — BMW is in the midst of introducing the most new models in its history as part of a bid to become the world leader in the luxury-car class, but it has no plans to match the extended warranties offered by domestic manufacturers.

"We didn't enter the first American warranty war, and we will not enter the second warranty war," said Michael Jackling, executive vice president of BMW of North America.

Calling the limited powertrain protection of the extended warranties a "hollow claim," Jackling said, "It's cheaper to extend the warranty than to give a $2,000 rebate or low financing."

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Japan's sales may fall short of U.S. quota

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Importers are preparing for the possibility that for the first time some Japanese companies will be unable to sell their entire quotas of 1987 cars.

"The 2.3 million Japanese car sales mark is in jeopardy in 1987," said Doug Mazza, vice president and general manager of Suzuki of America Automotive Co., Brea, Calif. "They may make it, they may not."

Robert Stallsmith, sales vice president for Mitsubishi Motor Sales of America, Fountain Valley, Calif., agrees with Mazza's assessment. "More than one Japanese manufacturer may be unable to sell its quota. If we all do, it will be one tremendous struggle," he said.

Several factors have combined to threaten the fulfillment of the quota, imposed by Japan's Ministry of International Trade and Industry.

Among them: a surge in inventories of unsold cars, a dramatic strengthening of the yen that has pushed up retail prices and squeezed Japanese automaker profits, growing supplies of Japanese-designed cars built in the U.S., a downturn in total U.S. car sales in 1987 and increased competition from new entry-level marketers and from the United States and Europe in the upscale segments the Japanese have been targeting.

Hardest hit are the small and medium-sized importers and the captive imports of Chrysler Motors and Chevrolet. They are faced with the prospect of huge stockpiles as they enter the new quota year, which began April 1.

The surplus of Japanese cars will

see QUOTA, page 61

Nissan to hike overseas output

By John A. Russell and Jake Lucas
AUTOMOTIVE NEWS STAFF REPORTERS

Nissan plans to build 25 percent of its vehicles outside Japan by the early 1990s and may even close plants at home if the dollar continues to fall.

Kume

"If the yen/dollar relationship were to go to the 130/140-yen level, we might be forced to look to even greater overseas manufacturing and that might well result in the idling of domestic plants," said Yutaka Kume, Nissan's president.

Kume was interviewed by the

see NISSAN, page 51

TRUCKS: *Class 8 makers outline plans for future as ATD stages convention in Dallas*

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DALLAS — Medium- and heavy-duty truck manufacturers are generally upbeat about sales prospects this year, though they still see more mergers and shakeouts on the horizon.

Such consolidations were major topics of discussion at this year's American Truck Dealers convention. The five-day event winds up tomorrow (April 7).

But talk also centered on upbeat sales forecasts. Manufacturers are projecting sales of 115,000 to 120,000 Class 8 trucks for the 1987 calendar year, up from 112,871 last year.

Still, sales more on the order of 150,000 would be needed to sustain all the players and the production capacity in the industry, said Peter Rupp, chairman of Freightliner.

By 1990, demand is expected to be "up a bit" from current levels, according to executives such as Thage Berggren, president of Volvo White, though it's unlikely to reach the 150,000 level.

For the time being, though, companies like Navistar, Mack, Freightliner, Volvo-White, Ford and PACCAR report strong increases in new-vehicle orders.

Some of those companies are working overtime. But John Curcio, chairman of Mack Trucks, said most of the sales and production activity in Class 8 trucks usually takes place in the earlier part of the year.

Meanwhile, for many companies, this is a pivotal year.

Volvo-White and General Motors are currently forging their new Volvo GM Heavy Truck Corp., expected to begin operations Jan. 1.

During this transition period, they also are working diligently to retain GM's market share and owner base.

In setting up their new company, officials will eliminate about 210 of their current combined 510-dealer network.

As Berggren pointed out, "It is important that we assign (Volvo GM Heavy Truck Corp.) dealers a big enough territory to live on. If we do that, we'll end up with 300 AORs (areas of responsibility)."

Mack is currently locked into critical negotiations with the UAW — negotiations that will determine where some of its key products are sourced.

see TRUCKS, page 30

'Progressive' work pacts split UAW; lasting anger is feared

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC, Mich. — Last week's quick strike settlement at General Motors' Truck & Bus complex signaled a victory for UAW members who feel strong-armed by automakers into accepting so-called "progressive" work methods.

The Pontiac settlement underscores a widespread problem between union and management, a philosophical battle over teamwork versus territorial rights. And beneath the surface are basic fears that if teamwork is successful, it can have a divide-and-conquer effect on union solidarity.

In the end, it comes down to trust and cooperation — underlying themes in this year's labor talks at GM and Ford. In settling with UAW Local 594 in Pontiac, GM agreed to restore job classifications previously eliminated by the "team method" of production, which combines and rotates jobs rather than the traditional system where each worker has a specific job and uses seniority rights to change jobs.

Many union members — such as Claude Thornton, president of the UAW Local 93 in Leeds, Mo. — feel workers are being forced to accept the team approach or lose their jobs. But the pointman on the other side, UAW Vice President Donald F. Ephlin, says it's all part of understanding where the future of the auto industry lies.

"We're being whipsawed with the blessing of

see UAW, page 60

AUTOMOTIVE NEWS/JOE WILSSENS
UAW Vice President Donald F. Ephlin

McDonald: GM may close more parts plants

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors President F. James McDonald said GM might close more components plants after completing its study of the competitiveness of parts operations.

"I wouldn't say that the possibility (of more closings) doesn't exist in the next year," McDonald said in an interview.

GM is evaluating every product line within its component groups. Each product line is graded on competitiveness, with the most weight given to quality and cost. Then, each line is ranked under GM's system that gives it a red,

see McDONALD, page 57

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Daf seeks U.S. sales via PACCAR dealers Page 2

Chrysler eyes Renault Alpine Page 3

Japanese given parts warning Page 6

Japanese sales dip in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Sales of Japanese cars in western Europe continued to fall in February following a sharp reduction in exports to Europe late last year.

With stocks at a low level, sales by Japanese manufacturers were down more than 10 percent through the first two months of 1987. Combined market share in January and February was 9.7 per cent, compared to 11.7 percent for all of 1986.

Overall car sales in Western Europe were marginally behind the same period last year. The two-month total was 1,833,900 compared with 1,838,500 in 1987.

Fiat Auto held onto the sales lead over Volkswagen Group even without its new acquisition, Alfa Romeo, included in the Fiat total.

The sales figures are derived from industry estimates compiled by Automotive News.

Under mounting pressure from European governments, Japanese makers sharply reduced shipments to Europe in November and December of last year. But exports to Europe increased 38 percent in January over the 1986 total, prompting the European Commission in Brussels to threaten Japanese producers with broad sanctions.

European automakers reportedly have agreed on a proposal that will be submitted to the commissior.. It would limit Japanese sales in the Common Market to about 11 percent until the European share in Japan rises from its current 2 percent to at least 5 percent. The proposal would apparently retain current quotas in Italy, France, Spain and the United Kingdom.

see SALES, page 57

EUROPEAN SALES

Manufacturer	Two months 1987	1987 share*	Two months 1986	Pct. Change 1987 vs. 1986
Fiat Group**	290,900	15.9	281,000	+ 0.4
VW-Audi-Seat	257,800	14.1	256,900	+ 0.3
Ford	214,300	11.7	214,200	+ 0.1
PSA***	212,900	11.6	206,100	+ 3.3
Gen. Mtrs.****	202,900	11.1	216,800	- 6.4
Renault	192,000	10.5	172,900	+11.1
Japanese (all)	177,900	9.7	198,300	-10.3
Toyota	45,400	2.5	49,600	- 8.5
Nissan	41,800	2.3	45,800	- 8.6
Mazda	29,600	1.6	37,900	-21.9
Mitsubishi	20,700	1.1	21,900	- 5.5
Austin Rover	75,600	4.1	72,800	+ 3.7
Mercedes-Benz	70,700	3.9	71,300	- 0.9
Volvo	45,300	2.5	48,900	- 7.5
BMW	42,900	2.3	49,600	-13.5
Others	50,700	2.8	49,700	+ 2.2
Total	1,833,900	100.0	1,838,500	- 0.3

*—Total does not add to 100 percent because of rounding.
**—Includes Alfa Romeo
***—Peugeot, Citroen, Talbot
****—Opel, Vauxhall, Isuzu, GM-U.S./Canada

Mexico strike stifles Tracer intro in U.S.

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Weeklong negotiations failed to settle a strike at Ford Motor Co.'s new assembly plant in Hermosillo, Mexico, while U.S. dealers were confronted with shrinking or nonexistent supplies of the Mercury Tracer.

The five-week walkout has cost production of 5,000 cars and has kept another 1,200 of the subcompacts locked inside the complex.

Lincoln-Mercury's 2,750 dealers in the United States have been left to share 3,600 vehicles that were shipped before the strike. Some dealers have received no Tracers, and others have nearly sold out their stock as L-M continues the most expensive new product advertising launch in its history.

"As far as I'm concerned, the situation is critical now," said Edsel B. Ford II, L-M general marketing manager. "But then I'm a marketing guy, and I want the cars."

The company has other concerns, however. Louis R. Ross, Ford executive vice president for North American Automotive Operations, noted last week that the workers are seeking "two to three times what the government and other industries are recommending. So it's kind of bad practice to establish your first contract at two to three times the local levels."

The 850 strikers agreed to a two-year contract a year ago, with a provision that allowed wages to be renegotiated, a Ford spokesman said.

According to Hector Uriarte, general secretary of the Hermosillo local of the Ford Motor Company Workers Union, the recommended wage increase in the state of Sonora, which includes Hermosillo, is between 23 percent and 32 percent. The Mexican government sets the guidelines in an effort to control the country's serious inflation problem.

He said that most workers make less than 118,000 pesos ($96) per month. The union is seeking a 70 percent wage increase.

The plant opened in November and is currently supplying cars exclusively for the U.S. market.

Elsewhere in Mexico, 2,500 workers at Nissan Mexicana walked off their jobs last Monday (March 30) at the automaker's assembly and engine machining plant in Cuernavaca. They are seeking a 60 percent wage increase; the company has offered 50 percent.

Automotive News Staff Correspondent Stephen Downer in Mexico City contributed to this report.

2CV: bowed at 1948 Paris Motor Show

'IMMORTELLE'

Citroen to produce 2CV in Portugal

By Jean-Jacques Renaux
STAFF CORRESPONDENT

PARIS — Jacques Calvet, the head of Citroen and its parent company, PSA (Peugeot), often has said, "La 2CV est immortelle."

Calvet owned a 2CV as his first car. And, true to his word, Calvet hasn't killed the simplistic, 38-year-old small Citroen.

However, production of the 2CV will move to Portugal next year.

Although everybody still seems to love the 2CV, only about 56,600 were sold in 1986, and it is no longer feasible to keep the 95-year-old LeVallois plant in Paris working intermittently to produce a car that sells for $4,450 to $5,165.

Interestingly, France has not been the top market for the 2CV in recent years. In 1986, Germany bought 15,700 units — compared to 14,000 sold in France.

It is ironic that the young German "greens" (the ecology-minded people) supported the car, since one of the 2CV's problems is that its small, air-cooled, 2-cylinder 600-cc engine cannot meet the U.S.-type exhaust emission standards due to be implemented in some non European Economic Commission countries.

For that reason, sales in Austria and Switzerland will end this year.

Development of the 2CV was carried on secretly during World War II, and the 2CV bowed at the Paris Motor Show in 1948. Someone reportedly joked: "Do they supply the can-opener with it?"

Still, in 1950, the 2CV had a waiting time for delivery of six years. More than 5 million of the cars have been produced.

At Mangualte in Portugal, production capacity will be only 70 to 80 cars a day, compared to the current 150 a day.

Is the end of the car really in sight? Not yet. Citroen still hopes to reach an agreement with the government of India about transferring production there.

Daf seeks U.S. sales via PACCAR dealers

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

van der Padt

EINDHOVEN, Netherlands — Daf Trucks, the only major European truckmaker without operations in the United States, is negotiating to sell a medium-range Leyland model through PACCAR's dealer network.

In an interview here, Daf Chairman Aart van der Padt also said the company is interested in setting up a U.S. manufacturing base and might consider a small-scale equity acquisition as a entry to the North American market.

Van der Padt said he will meet soon with PACCAR President Charles Piggott to discuss a possible distribution arrangement.

Daf, which delivered just over 16,000 trucks last year, recently bought a majority interest in Britain's Leyland Trucks. It had already agreed to market Leyland's 8.3-ton Roadrunner medium truck in Continental Europe and may also sell the vehicle in the United States through PACCAR, a rival bidder for Leyland.

"I've met Mr. Piggott once and we are planning to indeed have a discussion," van der Padt said. "We don't know the U.S. market and they are, of course, very strong and well established and maybe we can develop a common interest."

The two companies are said to be considering annual volume of about 3,000 units.

The exploratory talks grew out of separate discussions PACCAR and Daf held with British government-owned Rover Group about the sale of Leyland.

"PACCAR showed an interest during negotiations with the United Kingdom government in certain product lines that could be marketed in the United States," van der Padt said.

Though the Roadrunner is seen as the most probable model for distribution, he said there may be other products in the Daf-Leyland stable for the United States.

But despite the possible distribution deal, van der Padt said, "In the long run, you should do a relatively big assembly or manufacturing job in the United States, not just importing" van der Padt said. "I suppose that could be the long-term answer to the fluctuations in the exchange rate."

Daf has been involved with a U.S. manufacturer before. Navistar once held a 37.5 percent share in the company, but sold out in the midst of its deep financial troubles in 1984.

"Our company is not financially strong enough to buy itself into that market as Mercedes and Volvo have done," Van der Padt said. "We have to look to other ways. But on a smaller scale, I wouldn't exclude equity participations."

As for potential partners in the United States, he said, "We are going to see PACCAR. We tried Navistar before, but that didn't work out. Maybe you have to go into special niches."

Merged with Leyland, Daf is now the sixth largest maker of heavy trucks in Europe, with combined production of more than 24,000 vehicles over 6.6 tons last year.

Ferrari sets up engineering consultant operation

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

MARANELLO, Italy — A new engineering consultancy staffed by Ferrari design technicians has been spun off from the Italian manufacturer to take on outside contract work.

But unlike much larger engineering job shops at Porsche and Lotus, Ferrari Engineering S.p.A. is sticking to non-automotive clientele, according to Giovanni Razelli, Ferrari S.p.A. general manager

The subsidiary, which is made up of 20 engineers headed by Mauro Forghieri, is regarded as a way to generate new revenue and develop technologies while Ferrari car production remains low.

The unit was formed last year and moved into its own facility in January. It has signed consulting contracts with five companies — two machine-tool builders, a foundry, a special materials group and a robotics firm.

But so far, Ferrari Engineering isn't doing business with car companies, and Razelli indicated that things will stay that way. Parent company Fiat, which owns 50 percent of Ferrari, has reportedly vetoed the idea of servicing other automakers.

"All car manufacturers would be interested in the Ferrari engines," said Razelli. "We need Ferrari Engineering to develop our capability, not to sell to other carmakers."

Porsche's consultancy arm in Weissach, West Germany, has boosted the parent company's revenue by helping such relatively low-tech producers as Lada, and in the past, Seat develop complete new cars and engines. But Razelli said Ferrari Engineering is not big enough to take on similar projects.

"Porsche's size is 10 times our size," he said. "They have the devices to make tests and so on.

Razelli projected 1987 sales volume at about one percent of Ferrari S.p.A.'s expected turnover of 340 billion Italian lira ($26.1 million).

Ferrari reportedly wants the engineering arm to provide as much as half its revenue some time in the future. But Razelli cited a less lofty objective by the early 1990s.

"We have a goal that is very ambitious," he said. "We are too young to mention the goal officially. But to give an idea, we would like to achieve two or three times today, so 3 percent in five years. Then, we will see."

Though smaller in scale, the theory behind Ferrari Engineering is similar to that of Porsche and Lotus. Both firms have used consultancies to help pay the cost of keeping low-volume makers on the leading edge of new technology.

"The aim is to develop technological materials for production to pay for our necessities without increasing volume," Razelli said.

AMC, Ford extend incentives; Chrysler cuts off

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. and American Motors last week extended their retail incentive programs on selected 1986 and 1987 cars and trucks, while Chrysler Motors plans to end incentives April 10 on all vehicles except minivans.

On March 30, Ford said it would extend its low-interest rate and rebate incentive program on 1986 and 1987 Ford Taurus, Mercury Sable, Ford Bronco II and Ford Ranger models through April 30. Incentives for those vehicles were to end April 6.

The extension will allow Ford to keep pace with General Motors incentive programs on Buick, Oldsmobile, Pontiac and Cadillac, which also run until April 30. GM stayed put on its own incentive programs last week.

On March 31, Chrysler announced it will end its low-APR financing and cash rebate incentives April 10. The incentives cover most of its car and trucks. The program did not have an expiration date when Chrysler sweetened its incentives in February.

Chrysler, however, will continue to offer 72-month loans on the standard-sized and stretched versions of its minivans beyond April 10.

On April 1, AMC said it would extend and enhance its cut-rate loan or rebate incentive program on Alliances and selected Jeeps. The program, which was to end March 31, requires a $200 dealer participation on the Alliance cash rebate.

French automaker Peugeot joined domestic automakers in offering cut-rate financing on 1987 models. Peugeot began offering loans between 3.9 percent and 7.9 percent on all 1987 models on April 1. The program ends June 30. Dealer participation is required and a Peugeot spokesman said the average cost to the dealer will be $340 per car.

Peugeot is continuing to offer dealer incentives of up to $2,000 per car on 1986 models sold at retail.

The Ford program, which does not require dealer participation, provides for 3.9 APR financing up to 24 months, 5.9 APR up to 36 months, 6.9 APR up to 48 months and 9.9 APR up to 60 months. Buyers can opt for cash rebates instead of low financing on 1986 and 1987 models of Taurus/Sable ($400), Ranger ($500) and Bronco II ($600).

Previous programs that offered both low APR financing and rebates required dealer participation.

The Chrysler plan, which does not require dealer participation, offers cut-rate financing and cash rebates. The finance plan includes 3.7 APR on 24-month loans, 5.9 APR on 36-month loans, 6.9 APR on 48-month loans and 9.9 on 60-month paper.

The optional cash rebate program provides $1,000 for 1986 and 1987 models of Chrysler Fifth Avenue and New Yorker; $1,500 on 1986 and 1987 Dodge Lancer ES and Chrysler LeBaron GTS Premium models; and $500 on 1986 and 1987 Dodge 600, Chrysler LeBaron, Dodge Lancer and Chrysler LeBaron GTS models. Buyers may choose either the rebate or APR program.

The 1987 LeBaron coupe model is not included in the incentive program.

Buyers of the imported 1986 and 1987 Conquest and Colt Vista models, 1987 Dodge and Plymouth Colt DL and Premier models with value packages, and Colt E models can receive a $300 rebate or APR program.

Chrysler is giving both APR financing and cash incentives on some of its models. The automaker is offering $500 on Dodge Daytona and Chrysler Laser models purchased with low-rate financing and $900 cash without financing. Buyers can receive $600 on 1986 and 1987 Dodge Aries and Plymouth Reliant models purchased with low APR or $900 without. Also, Chrysler is giving $500 with the purchase of a 1986 or 1987 Dodge Charger or Plymouth Turismo with the low-APR financing and $800 for buyers who don't take the financing package.

On trucks, Chrysler is offering a $300 rebate on its Dakota (excluding the S model), $500 on 1986 and 1987 Ram 50 and Power Ram pickups, and $1,000 on 1986 and 1987 Dodge Ramcharger sport utility vehicles. Buyers may choose between rebates or the APR program. Standard-sized Dodge pickup trucks give $500 cash rebates with financing and $1,000 without.

AMC is continuing to offer $500 cash rebates or cut-rate financing programs on leftover 1986 and 1987 Alliance, Encore and GTA models. The previous program, which is no longer in effect, offered a $500 rebate or a choice of either free air conditioning or automatic transmission.

Incentives on Jeeps include $700 rebates on two-door Cherokees and $500 on four-door Cherokees and Wagoneers. Buyers of those two models may opt for the APR program instead of the rebate. The previous program did not include those models under the APR program.

Also, buyers will receive a $700 rebate on 4wd Comanche longbed pickup trucks and $500 rebate on 2wd versions. Buyers can opt for the rebate or the APR program on those vehicles. The previous program did not include the 2wd longbed model.

Incentives on Wrangler models will continue to include a choice between a six-cylinder engine and power steering at no charge or a $500 rebate.

AMC is offering 2.9 APR on loans up to 24 months, 6.9 APR on loans up to 36 months, 8.9 APR on loans up to 48 months and 9.9 APR on 60 months.

No dealer participation is required on the financing program at AMC.

Cadillac said it is offering 3.9 percent/24-month loans to 9.9 percent/60-month loans on 1986 and 1987 Cimarron models ordered from dealer stock between March 20 and April 30. No dealer participation is required.

Lane says incentives 'are probably here to stay'

WASHINGTON — Incentives in one form or another are likely to remain in place throughout the balance of the 1987 model year, according to William W. Lane, Oldsmobile general manager.

Lane said incentives "are probably here to stay" and added, "You'll be seeing more incentives from imports" as well.

Of the current market, Lane said, "It's a good strong market. However, with more competition, it's difficult to say what is normal versus what was normal a couple of years ago."

— Matt DeLorenzo

Renault's Alpine eyed by Chrysler

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

A top Chrysler Corp. executive hinted that the Renault Alpine — contrary to persistent rumors — could survive Chrysler's takeover of American Motors.

Chrysler Motors Chairman Gerald Greenwald, speaking to senior money managers and economists in New York last week, indicated that Chrysler may be leaning toward importing and marketing the Alpine if the proposed AMC acquisition is successful.

Greenwald described the proposed Chrysler/AMC marriage as a "win-win deal all around."

"If the AMC deal goes through, Chrysler will get exclusive access to three Renault-designed products — the Premier, the Medallion and the Alpine," Greenwald said at the Morgan Stanley Global Automotive Seminar.

Greenwald's comment indicates Chrysler may be leaning toward continuing AMC's plan to import the two-seat, mid-engine Alpine sports car from Renault. AMC had planned to import the car this fall.

Two-seat, mid-engine Alpine

However, an AMC spokesman said the Alpine program has been placed on hold at AMC because of uncertainty about the car's future raised in documents filed with the Securities and Exchange Commission.

In France, inside sources expressed serious doubt that the Alpine would be imported after the buyout. The Alpine was headed for the United States as a Renault flagship and to keep French Renault workers' jobs, they reasoned. Neither factor would be an impetus to Chrysler, they said.

Documents filed last month with the SEC relating to the proposed buyout of AMC by Chrysler have detailed some product plans. Chrysler will continue AMC's plan to manufacture the mid-size Renault Premier and import the compact Renault Medallion, according to the documents.

However, the documents state only that the Alpine program will be reviewed by Renault and Chrysler.

Sources in France at the time the proposed acquisition was announced suggested the Alpine program might be vulnerable. Chrysler plans to introduce a limited-volume Chrysler TC coupe by Maserati as a 1988 model in the same $30,000 price range that was anticipated for the Alpine.

The Alpine, which is produced at Renault's plant in Dieppe, France, was planned as a 1988 model.

AMC President Joseph Cappy has said in the past that the Alpine was designed as a "flagship" model, expected to "help the Renault brand by getting consumer recognition and establishing top-of-the-line awareness."

In other developments related to the proposed buyout, Chrysler is scheduled to complete its "due diligence" investigation of AMC by Thursday, April 9, according to the SEC documents.

Chrysler and AMC have shared information on future product plans, manufacturing, marketing strategies and financial commitments as part of the investigatory process, sources said.

The customary review in such takeover attempts is covered by a confidentiality agreement regarding "all non-public information furnished," according to the SEC filings.

Frederick W. Zuckerman, Chrysler treasurer, compared the due diligence process to buying a used car and taking it to a mechanic for a diagnostic test.

According to SEC filings, the investigation is scheduled to be completed prior to April 9. That deadline could be extended until April 23 if Chrysler "discovers an unforeseen problem" during the investigation, according to the filings.

Chrysler and the French automaker Renault announced March 9 a letter of intent outlining Chrysler's plan to acquire Renault's 46.1 percent stake in AMC.

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10Ks list spending plans, suits at GM, Ford, AMC

By Michelle Krebs and Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTERS

American Motors executives saw bigger paychecks in 1986 but still received no bonuses, according to the 10K report filed with the Securities and Exchange Commission last week.

Compensation figures were not included in the 10K filings made by General Motors and Ford Motor Co. last week, but other spending plans and damage estimates from anticipated court cases were included.

Pierre Semerena, a Renault executive who became AMC chairman Jan. 15, 1986, received $310,195 in compensation in 1986. The 10K report also showed that AMC keeps a Manhattan apartment for Semerena, spending $60,077 in 1986.

The filings said that Semerena was given a three-year employment contract with an annual base salary of $200,000. He received more than the base salary in 1986 to offset the fact that Semerena will have to pay taxes in two countries.

Joseph E. Cappy, who replaced Jose Dedeurwaerder as president and chief executive officer March 21, 1986, received $304,635 in cash and deferred compensation. In 1985, Cappy, then executive vice president, received $222,148. Dedeurwaerder, a Renault executive, became AMC vice chairman.

John P. Tierney, vice president and chief financial officer, received $205,459 in cash and deferred compensation. Francoise J. Castaing, group vice president, received $201,175, up from $149,425 in 1985. Jesus Peon, vice president, received $206,495.

As a group, AMC's 19 executive officers received $3,491,115 in cash and deferred compensation. No bonus awards were made in 1986.

Paul Tippett, former AMC chairman who stepped down from the post in December 1985, received $225,000 from AMC in 1986. Tippett had an employment agreement with AMC that provides him with 50 percent of his original monthly base salary for his lifetime.

The SEC filings also showed that the potential lawsuit liabilities from Jeep C-J roll-over accidents has declined from a year ago because some cases have been closed and fewer are being filed. The estimate for damages from the cases was put at $1.4 billion, down from an estimated $1.8 billion at year-end 1985.

The filings revealed that AMC spent $69.7 million on research and development, up from $45.0 million and $48.6 million in 1985 and 1984, respectively. Capital expenditures were forecast to be about $750 million in 1987 and 1988.

GENERAL MOTORS: General Motors' 10K report did not list the salaries of the automaker's top five executives; that will be shown in the proxy statement due out later this month.

The 10K showed, as did the annual report released last month, that GM has reserved $169 million for executive bonuses. That is down from $219 million awarded in 1985. Performance Achievement awards for 1986 will total $9 million, compared with $22 million in 1985 and $33 million in 1984.

At the same time, GM said U.S. profits fell short by $1.5 billion for the profit sharing formula to kick in. GM's hourly workers receive no profit sharing for 1986.

GM's filings with the SEC show that 15 lawsuits have been filed in state and federal courts from Dec. 4, 1986 to Feb. 13 challenging the $700 million buyout of Electronic Data Systems founder and former GM director, H. Ross Perot, and former EDS executives Morton H. Meyerson, J. Thomas Walter Jr.

see 10K, page 58

Quality still a major problem for U.S. firms, survey finds

Executives place blame on management actions

BURLINGTON, Mass. — Despite an awareness of the need to improve the quality of American products and services, a survey of senior executives found that higher quality is still eluding American companies.

The survey found that some 90 percent of the executives believe that poor management execution — not lack of awareness of the need to address quality issues — is the biggest problem related to improving quality today.

Moreover, more than three-quarters of the executives polled agreed that "the typical rank-and-file worker would like to be associated with a quality product, but doesn't know how to make it happen."

Organizational Dynamics Inc., a management consulting and training firm specializing in quality and productivity improvement systems, sponsored the survey to gauge quality improvement efforts in American corporations.

ODI said the survey was based on in-depth telephone interviews with top-level executives of the largest companies in the country. Forty-eight of the senior managers were employed by industrial corporations, the other 53 at service firms.

"These business leaders apparently realize that 'quality' is much more than a buzzword," said George H. Labovitz, president and founder of ODI. "They clearly recognize quality as critical to the success of their companies. Translating this awareness into measurable quality improvements presents great challenges for management."

Thirty-six percent of the executives pointed to some aspect of human nature — especially resistance to change — as the biggest barrier to implementing new systems to improve quality.

Other frequently cited obstacles were closely related to that "human element:" 15 percent said gaining management commitment was the most troublesome obstacle, and 14 percent cited communications problems, that is, "getting the word out within the company."

Fifty-nine percent of the executives said management — not employees — is primarily to blame for quality problems. And 87 percent agreed that managers are generally "too focused on short-term goals" that may compete with, and hinder, quality improvement efforts.

Almost all (95 percent) of the executives surveyed said that workers who were better at dealing with quality problems as they occur "would go a long way toward eliminating quality deficiencies in the company."

In practice, however, only about one-third of the executives said that rank-and-file workers in their organization were allowed "to make decisions and implement changes regarding problems that arise in their work." Underscoring the point, 58 percent said that workers "must consult with supervisors" before taking any such actions.

Commenting on the implications of the survey results, Labovitz said: "The answer is not 'management by democracy.' Managers must still call the shots.

"But the fact is, most quality problems have nothing to do with employees doing things wrong and everything to do with the systems management creates . . . systems that often block employees from doing their jobs right."

Labovitz said, "We find that most managers are comfortable with providing quality improvement skills to employees. Giving them more of a voice in decision making is a greater challenge. Managers must allow employees more meaningful participation if they expect to see results."

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Auction news

• Golden Gate Auto Auction, Fremont, Calif., will host Anniversary Sale '87 on April 21-22. Last year, 1,500 vehicles were sold during the anniversary sale, making it Golden Gate's best sales week.

• Nick Snow has been promoted to vice president of operations of Anglo American Auto Auction Inc. For two years, he had been president and general manager of Nashville Auto Auction, Nashville, Tenn., one of Anglo American's 12 auto auction subsidiaries. Frederich H. Walther has been named to replace Snow. He formerly was assistant general manger of the auction.

• Sixty-five students graduated recently from Mendenhall School of Auctioneering, High Point, N.C.

Clanton's: GM Auction of the Year
J.C. Clanton, left, and Ray Clanton, right, of Clanton's Auto Auction Inc., Darlington, S.C., accept the 1986 GM Auction of the Year award from Paul Dupont, administrator, General Motors Auction Department. GM conducts auto auctions for GM dealers at 24 locations across the United States.

AUCTION DATES

American Motors

April 7 — D-A Auto Auction, New Stanton, Pa.

April 8 — Minneapolis Auto Auction, Plymouth, Minn.

April 9 — Corry Auto Auction, Corry, Pa.

April 10 — St. Louis Auto Auction, Bridgeton, Mo.

April 14 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

April 15 — Columbus Fair Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

Chrysler Corp.

April 7 — Hatfield Auto Auction, Hatfield, Pa.; Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

April 8 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

April 9 — Fredricksburg Auto Auction, Fredericksburg, Va.

April 10 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

April 8 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; Salt Lake Auto Auction, Salt Lake City; Southern California Auto Auction, Fontana, Calif.

April 9 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

April 15 — Lakeland Auto Auction, Lakeland, Fla.

April 16 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

April 21 — South Seattle Auto Auction, Kent, Wash.

April 22 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

April 23 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

April 24 — Interstate Auto Auction, Mercer, Pa.

April 28 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

General Motors

April 7 — Denver Auto Auction, Englewood, Colo.

April 8 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

March, 1987	$5,829
Month ago	$5,703
Year ago	$4,932

Model Breakdown
Auction Averages

	MAR 1987	FEB 1987	JAN 1987
1987	$13,443	$13,406	$13,158
1986	$9,609	$10,038	$11,481
1985	$7,305	$7,382	$7,054
1984	$5,825	$5,940	$5,811
1983	$4,860	$4,843	$4,995
1982	$3,755	$3,628	$3,599
1981	$2,643	$2,537	$2,614
1980	$2,155	$2,167	$1,997
Overall Average	$5,829	$5,711	$5,494

April 9 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Florida Auto Auction of Orlando, Ocoee, Fla.

April 14 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

April 15 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

PRODUCTION

Car output edges up to 167,209 for week

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled production of 167,209 cars was 1.83 percent more than the previous week's 164,212 and 22.85 percent more than the year-ago week's 136,104, which reflected the Easter holiday.

So far this year, 2,177,404 cars have been assembled, 3.34 percent below the 2,252,611 completed last year at this point.

Companies split last week's targeted build as follows: General Motors, 51.83 percent; Ford Motor Co., 25.90 percent; Chrysler Motors, 12.08 percent; Honda of America Manufacturing Inc., 4.37 percent; New United Motor Manufacturing Inc., 2.39 percent; Nissan Motor Manufacturing Co., U.S.A., 1.77 percent; Volkswagen of America, 1.20 percent; and American Motors, 0.46 percent.

AMC's Kenosha, Wis., plant was closed last week (March 30) for inventory adjustment. The plant was expected to resume production today (April 6).

GM has closed five plants and most of a sixth this week (see story on this page for details). The closings will cost the company about 22,000 cars.

GM slated Saturday (April 4) overtime at its Lansing (No. 1) plant.

Ford scheduled Saturday overtime at its Dearborn, Mich., plant.

All Ford car plants are slated for daily overtime this week (April 6).

Chrysler's Sterling Heights, Mich., plant was scheduled for Saturday overtime. The plant is slated for daily overtime this week.

Millionth truck of '87 built

U.S. truckmakers built their one-millionth vehicle of the year last Thursday (April 2), nine days ahead of 1986.

Year-to-date, 1,018,538 units have been produced, 7.98 percent more than the 943,248 assembled last year at this point.

Last week's estimated truck production totaled 79,302 units, 2.10 percent more than the previous week's 77,671 and 35.72 percent more than the year-ago week's 58,431. The year-ago week's production reflected the Easter holiday.

General Motors slated Saturday (April 4) overtime at four plants: Baltimore; Detroit; Lordstown, Ohio; and Pontiac, Mich.

Ford Motor Co. scheduled no Saturday overtime. However, all Ford truck plants are slated for daily overtime this week (April 6).

Canada production steady

Last week's targeted Canadian auto production of 17,338 was 0.58 percent below the prior week's 17,439 and 31.27 percent below the year-ago week's 25,228.

So far this year, 241,172 cars have been assembled, 18.27 percent below the 295,087 completed last year at this point.

Truck production in Canada totaled 18,844 units, 1.84 percent more than the previous week's 18,503 and 4.58 percent more than the year-ago week's 18,019.

Year-to-date, 220,693 trucks have been built, 12.79 percent less than the 253,056 assembled last year at this time.

General Motors' Oshawa, Ontario, (No. 1) plant is down this week (April 6) for inventory adjustment. The plant is expected to resume output April 13.

The Oldsmobile Cutlass Ciera and Pontiac 6000 models are built at that plant.

CANADIAN CAR	Week Ended April 4, 1987	Week Ended April 5, 1986	Week Ended March 28, 1987	March Est.	Jan. 1 to April 5, 1986	Jan. 1 to April 4, 1987
AMERICAN MOTORS	150	111	155	694	1,651	2,010
FORD MOTOR	11,163	11,404	11,497	50,098	148,122	145,626
GENERAL MOTORS	5,600	13,488	5,361	24,374	142,418	88,697
HONDA	200	0	201	854	0	1,914
VOLVO	225	225	225	990	2,896	2,925
Total Cars, Canada	17,338	25,228	17,439	77,010	295,087	241,172
U.S. TRUCK☆	Week Ended April 4, 1987	Week Ended April 5, 1986	Week Ended March 28, 1987	March Est.	Jan. 1 to April 5, 1986	Jan. 1 to April 4, 1987
CHEVROLET	24,395	21,242	21,781	102,961	328,719	296,427
DODGE	5,200	699	5,487	23,887	434	66,069
FORD	31,619	24,558	33,036	144,442	387,929	423,300
GMC	7,948	5,730	7,197	34,116	99,549	100,822
NAVISTAR	1,610	1,599	1,609	7,077	20,019	20,383
JEEP	4,500	0	4,410	19,683	54,617	58,294
NISSAN	1,770	2,153	1,801	7,953	20,309	22,893
AM GENERAL*	50	50	50	220	672	650
MISCELLANEOUS*	2,300	2,400	2,300	10,320	31,000	29,900
Total Trucks, U.S.	79,302	58,431	77,671	350,459	943,248	1,018,536
CANADIAN TRUCK	Week Ended April 4, 1987	Week Ended April 5, 1986	Week Ended March 28, 1987	March Est.	Jan. 1 to April 5, 1986	Jan. 1 to April 4, 1987
AMERICAN MOTORS	525	825	641	2,830	2,915	8,235
CHRYSLER	8,494	7,180	8,745	38,776	120,375	114,881
FORD	3,648	3,648	3,510	14,625	46,512	43,266
GENERAL MOTORS	5,877	6,145	5,412	21,808	80,705	51,749
NAVISTAR	200	221	195	855	2,549	2,563
Total Trucks, Canada	18,844	18,019	18,503	78,894	253,056	220,693
N. American Trucks	98,146	76,078	96,174	429,352	1,196,304	1,239,231

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended April 4, 1987	Week Ended April 5, 1986	Week Ended March 28, 1987	March Est.	Jan. 1 to April 5, 1986	Jan. 1 to April 4, 1987
AMERICAN MOTORS	775	0	0	2,578	12,553	9,137
Renault Total	775	0	0	2,578	12,553	9,137
Alliance	775	0	0	2,578	11,011	9,137
Encore	0	0	0	0	1,542	0
CHRYSLER MOTORS	20,200	22,632	21,828	98,012	387,223	322,266
Plymouth Total	5,500	5,810	5,844	29,277	106,672	114,167
Horizon	0	1,821	0	2,014	39,712	32,324
Sundance	2,100	0	2,226	10,558	0	30,141
Reliant	2,500	2,634	2,382	11,632	47,358	35,509
Caravelle	900	850	1,236	5,073	16,011	16,189
Gran Fury	0	505	0	0	3,591	4
Chrysler Total	8,000	8,465	8,613	35,663	138,920	89,110
Laser	0	792	0	0	13,937	0
LeBaron K	1,700	1,696	1,880	9,009	33,310	24,463
LeBaron J	2,800	0	2,549	9,218	0	24,060
LeBaron GTS	700	2,148	776	3,765	29,381	10,950
New Yorker/E-Class	1,800	1,191	2,406	9,335	20,491	24,186
Fifth Avenue	1,000	2,640	1,002	4,336	41,811	5,451
Dodge Total	6,700	8,357	7,371	33,072	141,631	118,989
Daytona	1,200	939	1,221	4,531	13,197	11,881
Omni	0	1,789	0	1,770	40,473	27,744
Shadow	1,800	0	1,907	8,955	0	26,754
Aries	2,300	1,904	2,343	10,391	35,119	30,891
Dodge 600	900	1,537	1,221	4,834	22,880	14,331
Lancer	400	1,480	526	2,398	22,318	7,431
Diplomat	100	708	153	193	7,644	257
FORD MOTOR	43,311	33,427	43,109	190,506	479,748	561,071
Ford Division	31,158	22,624	29,974	134,332	326,996	387,964
Escort	8,365	7,429	8,303	36,531	107,747	101,658
Mustang	5,345	3,263	4,586	21,647	53,700	61,835
Tempo	4,526	3,284	4,432	19,436	55,763	54,938
Taurus	9,356	6,285	9,281	41,730	53,193	129,225
Thunderbird	3,566	2,363	3,372	14,987	46,593	40,308
L-M Division	12,153	10,803	13,135	56,174	152,752	173,107
Mercury Total	8,053	7,861	9,035	38,191	102,802	122,694
Lynx	1,058	1,090	1,075	4,678	17,947	16,331
Capri	0	295	0	0	4,688	0
Topaz	971	1,060	1,121	4,761	17,509	15,978
Cougar	2,586	2,399	3,354	14,515	32,295	49,045
Sable	3,436	3,017	3,485	14,236	30,363	41,340
Lincoln Total	4,100	2,942	4,100	17,983	49,950	50,413
Continental	409	330	403	1,798	5,695	5,045
Lincoln	3,075	2,207	3,075	13,487	37,472	37,806
Mark VII	616	405	622	2,698	6,783	7,562
GENERAL MOTORS	86,648	71,877	83,476	381,241	1,241,684	1,080,478
Buick Total	12,956	11,803	11,943	57,648	196,840	175,241
Skyhawk	825	1,560	834	3,778	23,586	12,392
Century	4,587	4,584	4,188	19,430	65,068	56,384
Regal	1,014	0	976	4,239	11,739	12,896
Somerset/Skylark	0	1,838	0	5,981	25,912	21,013
LeSabre (fwd)	3,590	1,942	2,902	10,969	27,651	30,849
LeSabre/Electra (rwd)	203	261	366	1,377	3,685	5,511
Electra (fwd)	2,416	1,206	2,522	10,786	33,699	30,160
Riviera	321	412	155	1,088	5,500	6,036
Cadillac Total	7,323	5,316	7,760	32,303	81,959	94,817
Cimarron	326	495	459	1,937	6,930	5,873
Allante	100	0	75	275	0	706
Brougham (rwd)	1,656	1,595	2,122	9,054	21,971	25,306
DeVille (fwd)	4,000	2,449	3,965	17,610	43,302	49,659
Eldorado	651	387	615	1,796	5,586	5,308
Seville	588	390	526	1,630	4,170	7,965
Chevrolet Total	35,044	22,683	33,276	146,896	407,243	399,864
Chevette	0	1,931	0	0	30,810	0
Camaro	3,020	3,811	2,940	6,378	59,426	23,924
Cavalier	8,098	6,433	8,000	35,295	118,799	100,060
Celebrity	8,317	4,917	8,762	38,792	85,380	108,864
Corsica/Beretta	7,119	0	5,071	28,518	0	73,637
Monte Carlo	1,890	1,775	2,000	9,786	33,211	20,889
Chevrolet	5,960	3,172	5,878	25,318	72,715	64,136
Corvette	640	644	625	2,809	6,902	6,354
Oldsmobile Total	14,206	17,475	12,978	69,625	319,732	203,538
Firenza	521	1,048	294	1,393	14,873	5,829
Calais	0	1,787	0	8,071	39,711	28,800
Cutlass Ciera	3,692	3,733	3,506	15,941	79,759	53,407
Cutlass Supreme	2,735	1,642	1,648	9,090	55,775	16,893
88 (fwd)	4,441	6,647	4,867	23,045	81,963	63,249
88 (rwd)	423	296	372	1,605	6,564	5,199
Olds 98	1,863	2,018	1,889	9,172	37,197	25,084
Toronado	531	304	402	1,307	3,890	5,077
Pontiac Total	17,119	14,600	17,519	74,769	235,910	207,018
Acadian*	0	410	0	0	4,015	0
Fiero	0	1,746	1,193	4,694	24,705	9,992
1000	0	754	0	0	10,145	0
Firebird	2,224	2,052	2,349	6,328	32,333	21,010
2000 Sunbird	2,666	2,391	2,945	12,825	39,198	33,667
Grand Am	6,120	3,551	5,160	25,311	59,541	72,382
6000	2,544	2,409	2,345	10,219	42,957	25,078
Bonneville	3,150	0	3,190	13,848	0	41,188
Safari/Parisienne	415	1,287	337	1,544	23,016	3,701
HONDA	7,315	3,526	6,769	31,152	48,145	91,723
Civic	1,605	0	1,676	7,860	0	31,948
Accord	5,710	3,526	5,113	23,292	48,145	59,777
NISSAN	2,960	0	2,988	13,058	22,517	38,126
NUMMI	4,000	3,070	3,977	17,608	37,120	52,628
Corolla	750	0	874	3,698	0	10,825
Nova	3,250	3,070	3,103	13,910	37,120	41,803
VOLKSWAGEN	2,000	1,572	2,045	8,828	23,621	21,973
Golf/GTI	1,750	1,572	1,795	7,728	23,621	19,223
Jetta	250	0	250	1,100	0	2,750
Total Cars, U.S.	167,209	136,104	164,212	742,984	2,252,611	2,177,404
Total Cars, Canada	17,338	25,228	17,439	77,010	295,087	241,172
N. American Cars	184,547	161,332	181,651	819,994	2,547,698	2,418,576
N. American Trucks	98,146	76,650	96,174	429,352	1,196,304	1,239,231
North American Cars and Trucks	282,693	237,782	277,825	1,249,346	3,744,002	3,657,807

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

GM closes six plants to cut stocks

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

General Motors has closed five plants and most of a sixth this week and will close another one the week of April 13. About 28,000 workers will be idled by the shutdowns, which are expected to last one week.

Sluggish sales and swollen inventory of several GM car lines are responsible for the shutdowns. It is GM's largest temporary layoff this year. In January, six plants were closed to adjust inventory and one plant was idled for installation of paint equipment.

Production of about 22,000 cars will be lost by the newly announced plant closings for this week.

Two other assembly plants remain idle this week. The Fiero plant in Pontiac Mich., is in the second week of a two-week shutdown because of high inventories. Fiero output had been running about 1,200 a week. The Lakewood, Ga., plant is down for model changeover until mid-May.

GM has trimmed 100,000 cars from its second-quarter production schedule (Automotive News, March 30) to control its high inventory. However, industry analysts believe there will be even more plant closings at GM before the end of the second quarter.

All assembly operations except Cadillac Allante are down this week at the Detroit-Hamtramck plant. Other assembly plants beginning a one-week shutdown today are: Pontiac, Mich.; Wentzville, Mo.; Tarrytown, N.Y.; Oklahoma City; and Oshawa, Ontario. The body assembly plant in Flint, Mich., also is closed this week.

The Oklahoma City assembly plant will be down the week of April 13.

These are the car lines affected by this week's new shutdowns: Pontiac 6000; Buick Regal, Century, Electra and Riviera; Oldsmobile Cutlass Supreme, Cutlass Ciera, 88, 98 and Toronado; and Cadillac Eldorado and Seville.

The Oklahoma City plant, which will be down next week, assembles Chevrolet Celebrity and Buick Century.

Nissan builds 500,000th in Tennessee

Nissan Motor Manufacturing Corp. U.S.A. employee Greg Sells tests the Nissan Sentra that he won. The car is the 500,000th vehicle manufactured at the Smyrna, Tenn., plant since it bagan producing pickup trucks in 1983. Tennessee Gov. Ned McWherter, center, and Nissan President Marvin T. Runyon look on. The plant's first Sentra, built on March 26, 1985, was presented to the governor for display by the state.

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Automotive News

April 13, 1987

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61st year—$50.00 per year, $1.25 per copy

Dacia rights apparently go to N.Y. firm

Roman Motors still claims import deal

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

The Romanian government apparently has chosen a New York firm over Roman Motors Corp. of Miami to certify, import and market Dacia sedans, station wagons and pickups in the United States.

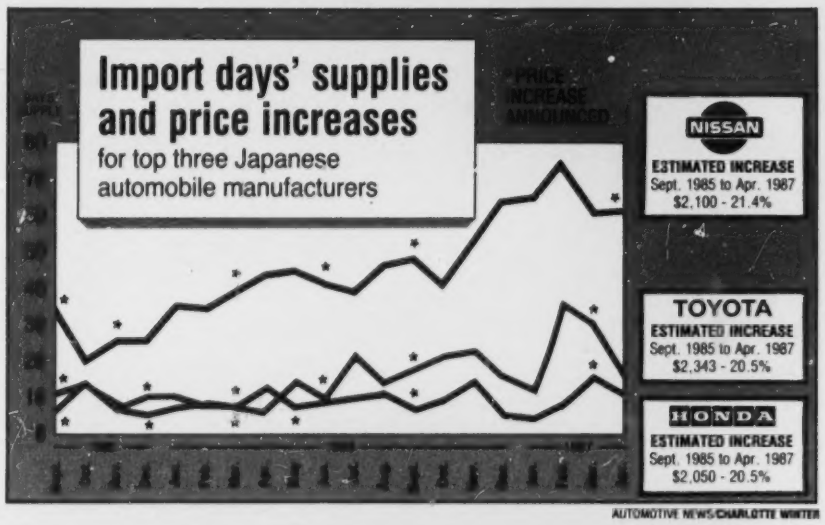
North American Import/Export Co. of New Paltz, N.Y., was named "our only official agent and representative in the United States for importation, distribution, sales and service" in documents signed April 3 in Romania by Ion Stamatescu, managing director of the Auto Dacia Foreign Trade Co.

It was not immediately clear what the effect would be on the approximately 70 dealers signed by Roman Motors, many of whom paid that company up to $59,900 for parts, signs and tools and signed backup letters of credit for $500,000.

Roman Motors President John E. Trotman said he did not believe North American's authorization had the seal of the Romanian Council of Ministers in Bucharest and that the situation would be clarified in meetings in Romania this week.

But a high Romanian official in the U.S. confirmed the agreement between Auto Dacia and North American. Trotman termed that confirmation a "last ditch" effort by Romanian diplomats in the U.S. to save themselves. But Trotman added that if he were proven wrong and the North American appointment legitimate, "We'll do what we have to do."

see DACIA, page 73



AUTOMOTIVE NEWS/CHARLOTTE WINTER

U.S. woes pile up for Japanese; yen, prices, dealer stocks climb

By John K. Teahen Jr. and Arthur Flax
AUTOMOTVE NEWS STAFF REPORTERS

The formula is simple: The Japanese yen skyrockets against the dollar, Japanese manufacturers raise prices to adjust, buyers act more slowly — especially in the wake of $2,000-plus price hikes — and supplies of Japanese-built cars rise.

In a nutshell, that's what's happening to Japanese manufacturers in the U.S. market right now — while some even brace for the shock of shocks, that they might not be able to sell their shares of the 2.3 million planned Japanese imports.

The story begins in the late summer of 1985, when the yen began its steady appreciation against the dollar. Since then, prices have been raised six times on the leading makes of Japanese cars.

Last week, the yen closed at 142 to the dollar on the foreign-exchange charts. It broke the 150 barrier on March 23, just three days after Toyota posted its latest U.S. price hike. Nissan acted 11 days later, when the rate was 146. Honda was the first of the Big Three to hike prices this time, but the yen was at 153 when it announced its Feb. 27 boost.

Since September 1985, the yen has risen about 65 percent against the dollar, moving from an exchange rate of 235-240 to the current 142.

And, as prices have gone up, sales — as reflected in the days' supplies of Japanese cars — have slowed. In fact, they have slowed so much that some Japanese manufacturers question whether all Japanese makers will even sell their shares of the current 2.3 million imports from Japan. Particularly vulnerable would be smaller companies such as Mitsubishi, Subaru, Isuzu and Suzuki.

The effects are being felt from corporate headquarters in Japan, where profits are down precipitously, to the showroom floor.

Some dealers say higher prices have hurt sales and profits; others haven't had any real problems with the higher stickers.

Dan Slattery, general sales manager at Bill Page Toyota in Falls Church, Va., said car sales are quite strong although sales of the Cressida, Toyota's highest-priced sedan, are lagging slightly.

see JAPANESE, page 70

Older cars live on; alter Chrysler plan

By Mary Connelly and Al Fleming
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Chrysler Motors will continue assembly of K- and E-body cars at its Jefferson Avenue plant through the 1988 model year and likely until construction of an all-new plant is completed in 1991.

The plant had been expected to produce trucks between 1988 and 1991, but that plan has been shelved, according to company sources.

The move to continue producing K- and E-body models brings to four the number of Chrysler body styles that were scheduled to be discontinued but will now remain in dealer showrooms in the 1988 model year.

Chrysler has also said it will continue the L-body Chrysler Omni America and Plymouth Horizon America, which had been scheduled to end with the 1987 model year.

In addition, in 1986 the company reversed its decision to end production of its large M-body Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury models and took the unprecedented step of subcontracting assembly with American Motors, the automaker it is now poised to take over with the purchase of Renault's holdings in AMC stock.

The rescued 10 models in four body styles accounted for 58.44 percent of Chrysler's total passenger car sales in the United States in 1986 and 52.06 percent in the first quarter of 1987. And, because tooling and development costs for those products already have been amortized and incremental unit profits are higher, Automotive News estimates that as much as $750 million of Chrysler Motors' $1.1 billion 1986 profit came from those 10 models.

The 10 models are the L-bodies, Dodge Omni America and Plymouth Horizon America; the K-bodies, Plymouth Reliant and Dodge Aries; the E-bodies, Dodge 600, Plymouth Caravelle and Chrysler New Yorker; the M-bodies, Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury.

see CHRYSLER, page 70

GM25: *Will car buyers believe Corsica, Beretta symbolize GM's commitment to quality?*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet has called the Corsica and Beretta its most important cars since 1955, but the cars are even more important to General Motors for reasons far beyond the machines themselves.

For the corporation, the cars symbolize the new GM as the first major products since GM's reorganization began in January 1984.

The cars are GM's attempt to convince the public of the automaker's commitment to quality and its willingness to respond to customer demands. They also are the hub of a GM campaign to increase sales of North American cars in Europe (story on Page 69).

"When we reorganized North American car operations, we did it to make better quality decisions and to get to the marketplace in a shorter time," said GM President F. James McDonald.

"Coming out of the chute, these vehicles have met their quality objectives and capital objectives."

Robert Schultz, GM vice president and group executive of the Chevrolet-Pontiac-Canada Group, said the cars met their objectives.

"Field stocks that Chevy needed for announcement day were on time," he said. "The quality of the cars met all of our goals."

Chevrolet dealers contacted agreed the Corsica and Beretta have met their objectives. Dealers said the launch of the cars has been the most successful since the introduction of the Citation in 1979. By the official introduction day (March 12), dealers had ordered 125,000 cars. Retail sales as of March 31 were 12,458.

McDonald said the GM reorganization was a traumatic change for nearly everyone in GM. Thousands of people were moved around to new jobs. The engineering departments were reduced from six in the car divisions to two in the car groups. Product engineers and process engineers were put together in the same room to simultaneously engineer the car and engineer the process to build the car.

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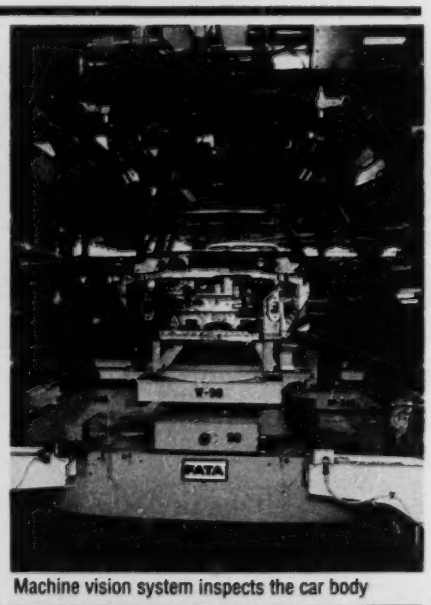

Machine vision system inspects the car body

Greenwald, Mercer to open World Congress

DETROIT — Two executives who gained renown by helping their companies survive near-disastrous crises will keynote the 12th Annual Automotive News World Congress, to be held at the Hyatt Regency Hotel in Dearborn, Mich., July 26-29.

Delivering the State of the Industry address on Sunday evening, July 26, will be Gerald Greenwald, chairman of Chrysler Motors.

He played a major role in Chrysler's comeback from financial calamity in the 1980s, and currently is one of the chief strategists in the corporation's proposed acquisition of American Motors.

Greenwald's co-speaker at this year's opening session will be Ro-

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NEWSPAPER

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Audi doubles ads; will rename models Page 3
Sales rate rises; days' supply dips Page 74

Audi doubles ad budget in recovery try

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Audi of America will double its advertising budget over the next 12 months as it continues its counterattack against the damaging publicity surrounding the Audi 5000.

The company will also drop the Audi 4000 and Audi 5000 names on future editions of those models, Volkswagen of America Vice President John Damoose, who heads the Audi operations, said last week. Though that move had been planned before the company's current troubles began, it could further distance Audi from the sudden-acceleration problems surrounding the Audi 5000-S.

The Center for Auto Safety and other groups have charged that seven deaths and hundreds of injuries have resulted when Audi 5000s with automatic transmissions accelerated uncontrollabiy after being shifted from park into drive or reverse. Damoose, saying the Audi is "the safest car in the world," told the Detroit Auto Writers Group that a shift-lock device, standard on all 1987 models, will substantially reduce the acceleration incidents.

The marketing measures are part of Audi's ongoing effort to restore confidence in the Audi name and boost sales. The first significant step — a $5,000 rebate offer on a 1987 Audi to current owners and lessees of late-model Audis — was designed to "stop the bleeding," said Damoose, who left Chrysler Corp. in November to head Audi. Sales of all Audi models in the United States slipped 19 percent in 1986 [illegible] are down about 6,000 units through the first quarter of 1987.

Incentives are likely to be offered on Audi models other than the 5000 for some time to come, Damoose predicted. They will be part of a marketing effort to turn the company around.

"We are about to launch a whole series of programs," Damoose said. "It's going to take a lot of money to do that. It's a business crisis of the first order."

The early steps have been aimed at those who know Audi best — its current customers. In addition to the rebate offer, which lasts 90 days, Audi plans to send a videotape demonstrating the car's safety to the estimated 2,500 Audi 5,000 owners.

And in July, it will launch an unprecedented ad campaign focusing on the cars' technological and safety features. Damoose would not specify how much the program will cost, but Advertising Age estimates the outlay at $80 million.

Damoose said most of the record outlay will be borne by Audi's German parent, Volkswagen AG.

AUTOMOTIVE NEWS/JOE WILSSENS

VWoA Vice President John Damoose

That campaign will tie into this fall's planned launch of the Audi 4000 replacement, which will be known as the Audi 80 and Audi 90. The all-new car, which Damoose said has been highly successful in Europe, will be upscale from the current Audi 4000. Eight to 10 months after introduction, Audi will add a coupe version of the car to its U.S. lineup, he said.

In mid-1988 Audi will upgrade the 5000 model and rename it, probably using the Audi 100 and Audi 200 names used in Europe, Damoose said. He confirmed the new 200-based Quattro will be offered with the V-8 being developed by Audi. "We're going to start to really market the Quattro," he said.

Many of the ideas for the current marketing campaign have come from a group of Audi officials and five select dealers who meet at least twice monthly to develop programs aimed at Audi's revival. Initial response to the $5,000 rebates has been positive, Damoose said.

Damoose explained the sudden acceleration incidents as: floor mats that have interfered with the accelerator; the position of the brake pedals and the accelerator; the idle-speed stabilizer; and drivers hitting the wrong pedal.

The company has issued a series of recalls to correct those problems and has designed the changes into new models. The shift-lock device, which requires the brake to be depressed before the car can be put into gear, "seems to be reduce the problem substantially," Damoose said.

He called sudden acceleration an industry-wide problem that has afflicted Audi more than any other carmaker.

He predicted that if the company's recovery is successful, U.S. sales could reach the 100,000 level in three or four years. Audi sold 74,061 cars in 1985.

Illinois asks all states to help in Audi matter

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Neil F. Hartigan, attorney general for Illinois, has sent a letter to all state attorneys general, asking them to join Illinois in seeking a nationwide solution to alleged sudden-acceleration problems of Audi 5000s.

Hartigan's representatives said response from the other state attorneys general has been "substantial," but they declined to say how many or what kinds of responses they have received.

The letter suggests:

- "Promoting public dialogue and awareness through a public hearing mechanism."
- "Litigation such as a mandamus action against NHTSA to force that agency to correctly implement vehicle defect notification procedures . . . and/or to issue a mandatory safety recall order to the manufacturer."
- Or an "injunction and restitution action against the manufacturer on behalf of the state and consumers."

The letter from Hartigan noted that an existing suit is similar to the last option. It was filed in Chicago's Cook County Court on behalf of individual owners of Audi 5000s and a leasing company, and seeks damages for the loss in resale value of Audi 5000s.

Audi of America said it was surprised by Hartigan's letter — it had not seen a final draft — and called it unwarranted. "We are continuing our ongoing dialogue with him, and we have agreed to meet with Mr. Hartigan and his representatives to discuss the concerns outlined in his letter," the company said in a prepared statement.

Hartigan told his fellow state legal officers that of the 250,000-plus Audi 5000s sold to date, about one in every 180 has experienced unwanted acceleration and that he and the consumer group Center for Auto Safety consider "inadequate" Audi's actions so far.

Hartigan said Audi's fix, which automatically applies the brake when shifting, "presumes that drivers have not already been depressing the brake pedal before shifting."

Audi also suggested inspection of the idle stabilization valve in its recall notice. It said that of the cars equipped with the shift-lock device, the complaint rate has been one in 7,500 cars. It also said the installation rate for the devices is running about 80 percent, and that should make its recall one of the most widely implemented.

Hartigan's letter said the Audi voluntary notice to 5000-model owners does not meet the regulatory requirements of an official defect notification letter. Audi of America disputes this, saying its statutory recall was announced Jan. 15, 1987. Official recall letters must clearly state that the car is being recalled for a safety defect.

Hartigan's letter said that NHTSA's failure to order Audi to send an official defect notification letter is "shocking." He claimed NHTSA has the legal authority to grant Illinois' petition to force Audi to repurchase 5000s.

On Dec. 9, NHTSA Administrator Diane Steed wrote to Hartigan, saying that NHTSA could not force a recall until it: makes an initial determination of a safety-related defect by finding the malfunction; allows an open comment period; holds a public hearing; then issues a final determination. If the manufacturer still refuses to recall, only then can NHTSA get the Justice Department to take the maker to court to force the recall, the Steed letter said.

Steed cited the General Motors X-car brake case, in which the Justice Department took GM to court in 1983 because of alleged brake lockup. However, in that instance, NHTSA actually skipped the final determination phase because it judged the X-cars so dangerous.

Hartigan's letter charged that under case law, NHTSA indeed has the legal authority to order a recall based on the incidence of defects alone — whether or not NHTSA can find out what is causing the sudden unintended acceleration. (NHTSA closed the books on other acceleration investigations when it could not find a cause.)

Hartigan cited a Dec. 16 letter he sent to Steed, saying that more than 800 reports of unwanted acceleration in Audis is more than enough. His letter said he finds NHTSA's "oppressively narrow reading" of the law "the more perplexing" because the Justice Department's case against GM regarding X-body brake lockup used the same performance defect argument.

Audi said it has lived up to both the spirit and letter of the law with its voluntary recall. "Audi has acted in a responsible manner and has voluntarily recalled all 1978 to 1986 Audi 5000s equipped with automatic transmissions. . . . We have made tremendous progress with our shift-lock installation, as already some 130,000 shift-locks have been installed to date, which has resulted in a dramatic drop in the rate of reported incidence of unintentional acceleration," the company said.

Buffalo Grove, Ill., is the site of the first death attributed to a "runaway" Audi 5000, and Hartigan has been active in working with the Center for Auto Safety and in urging NHTSA to force Audi to buy back cars.

NHTSA granted a petition by the Center for Auto Safety and the New York attorney general by opening an investigation into Audi 5000s equipped with automatic transmissions. On Aug. 5, it upgraded its investigation "and is continuing it on an expedited basis," Steed wrote to Hartigan. NHTSA also is monitoring Audi's voluntary recall.

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Ford averts lawsuit by agreeing to modify Econolines

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Under threat of a lawsuit from the Virginia attorney general, Ford Motor Co. has agreed to modify nationwide all 1983 through 1987 Ford Econoline cutaway chassis and vans to relieve fuel system overpressurization.

The flaw was believed to cause fuel spurting and possible fires in a potential of 10,000 to 11,000 vehicles.

Virginia Attorney General Mary Sue Terry announced Ford will have repair kits available by May 15. Ford and ambulance makers will work with federal, state and local officials on maintenance and operating procedures for the affected vehicles. Ford will provide the parts and a limited number of Ford dealers will make the repairs; the ambulance makers will inspect the vehicles. A plan for the joint effort is due by April 24. Notification of owners and users will also be coordinated.

Ford Safety Director Robert H. Munson confirmed the plan. He added that Ford and the Ambulance Manufacturers Division of the National Truck Equipment Association plan to bring to the attention of regulatory officials their concern about excessive gasoline volatility in some areas of the country. Munson warned of the need to tighten volatility standards, particularly in warm-weather states.

In fact, it was Virginia's concern over coming warm weather that pushed Ford and the ambulance makers into setting its timetable. A senior official in Virginia's attorney general office confirmed that at a late-night meeting, Terry told Ford Vice President Helen O. Petrauskas that she had two versions of a speech for the next morning.

One was to announce a decision by Ford and the ambulance makers to recall in a timely fashion.

The other was that her office planned to sue Ford and the ambulance makers over the persistent problem of fires caused by fuel spurting or "excessive" idling.

The letter of agreement with Ford was signed at 9:30 p.m. April 7, and Terry made the recall announcement the following morning to the consumer protection seminar of the National Association of Attorneys General meeting in Richmond.

By coincidence, also on April 8, Virginia Gov. Gerald Baliles signed a bill enabling the state attorney general to act on behalf of local rescue squads — thus expanding her existing authority to take legal action on behalf of emergency medical operations owned or controlled by the state. This authority was sought by Terry because she believed certain localities were especially vulnerable to unsafe ambulances.

Last month, Terry had notified Ford of two recent incidents of ambulance fires in her state.

On April 7 — the same day Virginia was negotiating with Ford over allegedly unsafe ambulances — Philip W. Davis, director of NHTSA's Office of Defects Investigation, wrote to Ford's safety director, Munson. He noted that reports of more than 150 fuel expulsions with three resultant fires warranted a recall, and that unless Ford agreed, a formal defect investigation with a public notice would be forthcoming.

The NHTSA letter said: "If the vehicle is built in stages, its final stage manufacturer would ordinarily be responsible for conducting the recall. If the vehicle is instead produced by altering a previously completed vehicle, the alterer

see FORD, page 74

Fewer buyers in Class 8 field

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

GREENSBORO, N.C. — Volvo White marketing studies show that heavy-truck purchases are increasingly concentrated among fewer, higher-volume customers and that retail sales are similarly concentrated among higher-volume dealers.

Terry Young, Volvo White marketing director, said there were 14,000 fewer Class 8 customers in the 1980s than in the 1970s. That occurred despite the supposedly high number of new entrants into the market since deregulation of the industry in 1982.

Essentially, more sales are being concentrated among fewer buyers.

Volvo-White divided all the Class 8 vehicles retailed during 1979-85 among four groups of buyers and compared that to a similar market segmentation study for 1973-79.

For the first group, the study showed that the top one percent of the Class 8 buyers purchased an average of 1,515 units each during the 1979-85 period. That was up from an average of 925 units purchased by that same group during the 1973-79 period.

For the second buying group, the top 1.6 percent of the buyers purchased an average of 66 units each during the 1979-85 period. That compared with an average of 48 units during the earlier period.

Buyers in the third group averaged seven units compared with five during the 1973-79 period.

About 83.7 percent of truck purchasers were represented by the fourth group during 1979-85. That buying group averaged one truck purchase apiece.

During 1973-79, some 80.3 percent of buyers were represented by that bottom-quarter group. They also averaged one truck purchase apiece.

Volvo White officials pointed to sales trends in which more trucks would be bought by independent trucking companies and for-hire carriers and fewer by the private carrier segment. Sales to construction, mining, utility and sanitary services customers are expected to hold steady.

Company officials said that during 1980-85, independents accounted for an average of 20 percent of Class 8 truck purchases. In 1989-90, they believe that group will account for 22 percent of truck purchases.

Again, they expect the for-hire carriers, who accounted for an average 26 percent of Class 8 purchases during 1980-85, to account for an average 30 percent of purchases during 1989-90.

On the other hand, they see private carriers accounting for only 33 percent of Class 8 purchases in 1989-90, down from an average of 39 percent.

The construction and mining market segment will continue to account for 7 percent of Class 8 purchases and the utility and sanitary services segment for 8 percent, officials believe.

Volvo White had been moving toward a higher concentration of sales among fewer dealers even before its joint venture with General Motors.

Young said that 71 of the company's 194 dealers retailed more than 50 units last year, up from 62 dealers with that kind of volume in 1985 and only 19 in 1982.

The company had 20 such high-volume dealers in the Northeast, 17 in the Midwest, 16 in the Southeast, 11 in the West, and 7 in the Southwest.

The new Volvo GM Heavy Truck Corp. plans to have a 300-dealer network by January, 210 fewer dealers than the current combined total for GM and Volvo.

Barr chosen Dealer of Year

Barr, left, receives award from Business Week's Terry Sweeney

DALLAS — Richard S. Barr, a Navistar/Mercedes-Benz/Freightliner dealer from Maryland, won the 1987 Business Week/ATD Truck Dealer of the Year award.

Barr is president of Barr Transportation Center in Delmar, Md., and Barr International Inc. in Salisbury, Md.

Three other finalists honored as regional award winners were:

- C. Mack Moore, president of Preston Motors Inc., Kingswood, W.Va. (Midwest region). Moore is a Navistar dealer.
- C.E. (Gene) Allen, president and general manager of Carmenita Truck Center, Santa Fe Springs, Calif. (Western region). Allen is a Ford/Volvo White/Western Star/Hino dealer.
- Ben Bruckner Jr., president of Bruckner Truck Sales, Amarillo, Texas (Southern region). Bruckner is a Mack dealer.

Barr was the Eastern regional as well as national winner.

Barr told Automotive News that he would like to see greater efforts by dealers and manufacturers to resolve their differences.

He also considered it very important for manufacturers to listen more closely to dealers, particularly in product planning.

And he emphasized the difficulty of turning a profit.

"Truck dealers are an exceptional group of business people who can't afford the margin of error available to some other types of businesses," Barr noted.

"They spend a great deal of time and effort (running their franchises), and they are stepping up to meet a lot of very tough challenges, he added.

Barr, a frequent Navistar award winner, serves on the National Automobile Dealer Association and Navistar NADA 20 Group, the Mercedes-Benz Freightliner district dealer council and the Maryland Motor Truck Association.

Light-Duty March, Year-to-Date Sales

	March		Year-to-Date	
	1987	1986	1987	1986
Vans	17,940	16,387	42,067	40,374
Aerostar	13,916	11,954	34,192	28,354
Club Wagon	2,581	2,076	6,793	5,767
Ranger	31,530	22,529	76,838	67,094
Bronco	4,833	4,426	11,831	11,184
Bronco II	9,073	8,012	26,533	19,985
Pickups	52,253	40,403	122,627	120,539
Ford	**132,126**	**105,787**	**329,881**	**293,297**
Vans	9,578	11,399	22,533	28,784
Sportsvan	1,400	1,604	3,136	4,024
Astro	11,781	13,107	31,401	32,141
S-10	22,006	16,531	56,720	50,206
S-10 Blazer	12,465	14,046	35,989	35,407
El Camino	1,086	1,474	3,018	5,965
Blazer	2,864	3,608	7,018	9,597
Suburban	4,695	4,813	11,412	12,063
Pickups	40,461	33,707	91,195	105,000
Chevrolet	**108,336**	**108,289**	**282,442**	**283,187**
Vans	5,565	6,231	14,302	14,033
Ram Wagon	2,896	4,076	7,641	8,416
Voyager	10,438	10,941	22,799	27,668
Caravan	11,307	11,243	25,579	28,996
Mini Ram Van	1,255	1,579	3,196	3,941
Ram 50	6,880	6,158	17,411	18,451
Raider	1,448	0	3,762	0
Ramcharger	2,821	1,551	6,371	4,157
Dakota	9,331	0	23,630	0
Pickups	11,342	7,323	25,621	23,451
Chrysler	**65,283**	**49,102**	**150,314**	**129,115**
Vans	3,256	3,186	8,870	9,450
Safari	2,806	3,003	6,966	7,314
S-15	4,547	4,034	11,939	11,994
S-15 Jimmy	3,335	3,397	9,024	8,799
Jimmy	682	771	1,844	1,966
Caballero	122	191	384	760
Suburban	1,640	1,509	4,029	4,126
Pickups	11,029	8,638	24,396	26,933
P Model	432	309	1,509	945
W-4	149	96	354	249
GMC	**28,998**	**25,136**	**69,315**	**71,569**
Wrangler/CJ	2,355	1,991	6,318	9,480
Wagoneer	1,007	847	3,076	2,563
Cherokee	6,493	7,453	24,912	22,695
Grand Wagoneer	1,057	1,175	3,241	3,819
Comanche	2,889	2,232	8,958	8,231
J-10/J-20	72	108	391	378
Jeep	**15,873**	**13,806**	**46,865**	**47,166**
Toyota	28,046	34,745	66,886	90,153
Nissan	14,049	22,862	35,330	52,786
Mazda	10,915	11,971	27,831	30,312
Isuzu	8,589	8,605	21,673	21,072
Mitsubishi	3,800	2,526	11,126	6,520
Suzuki	8,267	3,706	20,601	9,312
Subaru	219	271	697	731
Range Rover	79	0	79	0
Imports	**73,964**	**83,996**	**208,498**	**210,156**
Industry Total	**419,562**	**378,857**	**1,156,344**	**1,034,478**

Nissan includes domestically built units in Tennessee

Lessors see bonus in new tax law

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS, Nev. — Leasing companies are rubbing their hands in glee over the increased business they foresee from last year's Tax Reform Act.

David Burr, president and chief executive officer of Rollins Leasing Corp., Wilmington, Del., told the Truck Rental and Leasing Association convention here that many of his company's customers have expressed interest in long-term, full-service leasing. Those are customers who own vehicles and with whom Rollins has contract maintenance agreements.

Burr also predicted that full-service leasing firms would face less competition from a number of the "larger tax-oriented leasing companies."

Greyhound, for example, is trying to sell its tax-oriented leasing subsidiary.

Burr said other similar tax-oriented leasing firms — particularly smaller ones — would either curtail their operations or drop out of the business because of the new tax law.

Roger Colman, distribution control manager for Readi-Bake Inc., Grand Rapids, Mich., a lessee, said the new law has his company paying "particularly close attention" to the residual value of the vehicles it leases.

Readi-Bake leases 60 Class 8 over-the-road tractor trailers. It plans to replace about 10 to 20 units this year and, on a staggered basis, the entire 60 within the next year and a half.

Colman said, "We've always used cabover tractors. But with the new leases, we're going to switch to conventional tractors with setback axles.

"We did that mainly for driver comfort; but we're finding, as a side benefit, that conventionals have such a higher residual value and that we're actually going to benefit with a lower weekly rental than we've been paying for the past 4½ years on our old vehicles."

Readi-Bake has always been a lessee and plans to continue as such.

Colman noted that in the 1970s, with rising fuel costs, companies like his were much concerned about fuel economy.

Today, he said, entire fleets are averaging up to 6.5 to 7 mpg, indicating that the industry has done a good job of improving fuel efficiency.

Currently, his company is trying to improve the safety, effectiveness and efficiency of its drivers.

On its new tractors, it is specifying equipment like Jake brakes for safety and deluxe interiors — including air conditioning, air ride suspension and remote-control mirrors — to improve drivers' job performances.

Colman said he is looking to his lease companies and vendors for services and equipment to help cope with such future concerns as higher insurance costs and stiffer federal and state regulations.

William Slifkin, national marketing manager of vehicles for General Electric Credit Corp., Wilton, Conn., said the new Alternative Minimum Tax virtually precludes companies from completely avoiding federal income tax through standard deductions like accelerated depreciation.

Leasing will help to reduce potential AMT liability because:

- Lease rentals are not an AMT preference item, so they are not added as regular taxable income in calculating AMT income
- Since a company won't own its own equipment, there won't be any AMT preferences for accelerated depreciation or book income leasing arising from the leased equipment.

Burr called the new tax law a "nightmare and a headache. What it boils down to is that many, many U.S. companies — large corporations and small companies that run trucks — are now going to be subject to this AMT.

"That's going to cause them to pay taxes in the future when they had minimal taxes in the past. That creates a tremendous opportunity for us in the leasing business," he added.

Many companies "that had been in ownership before are now going to become lessees," he predicted.

"They're going to lease their equipment because they have one simple, direct expense for regular tax calculations, a direct expense from our lease bills, for minimum tax computations," he said. "And they don't have to go through all this recalculation of preference items as it relates to depreciation, if they had the equipment on their books."

His company is honing its sales force to promote a simplified customer presentation of why the law favors a switch to leasing.

"The AMT is the big point. You've got to get a simplified understanding of AMT and imbue salespeople in your own companies with it. That's not an easy thing to accomplish," Burr added.

The new tax law will affect "tax-oriented finance type" lessees, Burr said.

"We feel the tax-oriented leasing companies' rates will be higher in the future than in the past," he said. "And they will be offering less direct competition to us in the future. Under the new tax law, residual values are going to change. Some companies are going to have to take higher residual value risks under a tax-oriented lease."

"We think that will make them less competitive vs. a full-service lease. We think a number of companies have had unexpected problems with their tax leverage leases — their terms have been too long in some cases and the terms of their leases have gone beyond the useful operating life of the equipment," he said.

"We see a number of customers that used tax-leverage leasing in the past switching over to the operating leases where they get a full-service package from a full-service leasing company," Burr concluded.

Dealers' service, parts business rises in February

SERVICE INDEX
104.0*

	Feb., '87 vs. Feb., '86	2 mos., '87 vs. 2 mos., '86
Gross Profit on All Labor and P&A Sales	+5.6%	+2.0%
Repair Orders Written	−3.9%	−7.0%
Total Labor Sales (Customer & Warranty)	+8.1%	+4.3%
Shop Parts Sales (Customer & Warranty)	+ 2.1%	+0.7%
Sales of All P&A	+ 8.0%	+4.7%

*—Survey by Automotive News shows that dealers' service and parts business in February 1987 was 104.0 percent of business in February 1986. Service business in the first 2 months of 1987 was 100.9 percent of business in the corresponding period in 1986.

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Automotive News Service Index showed that service and parts business at new-car dealers climbed 4.0 percent in February, compared with February 1986.

Shop business in January was down 1.7 percent from that of the same month a year ago.

In the first two months of 1987, shop business was up 0.9 percent over the first two months in 1986.

An eastern Chevrolet dealer said, "Service volume increased during February. The increase was due to direct-mail advertising to offset a normally slow period."

A western Buick dealer attributed increased business to a flat rate increase as well as "selling more work per repair order."

Although the overall service index was up, some dealers attributed declines in service business to a lagging regional economy and mild weather.

A northwestern Ford-L-M dealer said his service profits were down some 50 percent.

An Iowa Ford dealer said, "There was no apparent reason (for a decline in business) other than the general economic shape of Iowa."

All indicators except repair orders written were positive in February.

Total labor sales (customer paid and warranty) registered the biggest gain, up 8.1 percent over February 1986. Sales of all parts and accessories climbed 8.0 percent; gross profit on all labor, parts and accessory sales rose 5.6 percent; and shop parts sales (customer paid and warranty) increased 2.1 percent.

Repair orders written fell 3.9 percent.

Parts and accessory sales to off-premises customers rose 12.8 percent in February.

Sales of all parts and accessories, up 4.7 percent, showed the largest gain through the first two months of 1987.

Total labor sales increased 4.3 percent; gross profit on all labor, parts and accessory sales climbed 2.0 percent; and shop parts sales inched up 0.7 percent.

Repair orders written were off 7.0 percent.

Parts and accessory sales to off-premises customers were up 7.9 percent through February.

Chrysler eyes sale of MoTech training school

Chrysler Motors is expected to sell its MoTech Auto Education Center in Michigan. And in an apparently unrelated development, Chrysler Mexico plans to open a technician training facility near Mexico City.

The Mexican facility will train technicians for the Latin American market.

According to a Chrysler spokesman, the company will end its involvement with MoTech when the current training class at the Livonia, Mich., school ends in December.

A source said Chrysler is negotiating to sell the school to an outside firm. Training is expected to continue under the new owner.

A nonprofit subsidiary of Chrysler, MoTech has provided training in the latest automotive service technology since it was founded in 1973. The school has trained about 8,000 students.

A Chrysler spokesman said, "We want to direct our efforts to train dealer and Chrysler employees more specifically on Chrysler products."

MoTech currently offers training in auto mechanics and auto body repair. Approximately 400 people are now attending MoTech.

Chrysler Mexico, meanwhile, plans to open its new technical training center to trainees outside Mexico.

"We are planning to bring technicians from all over Latin America," said Victor Montalvo, Chrysler Mexico's service and training manager."

The center will train about 1,200 Mexican mechanics and technicians annually and 300 other Latin American mechanics, Montalvo said.

The center, in Naucalpan, just outside Mexico City, currently employs five instructors as well as center manager Ildefonso Gonzalez Montemayor, technical adviser Juan Vivar and two secretaries.

The Mexican company is seeking Chrysler Motors approval to hire five additional instructors to cope with the anticipated influx of students.

Elaborating on that need, Vivar said: "The automotive industry is installing so much sophisticated equipment that we feel we must keep up . . . .

"From the time the car was invented until about 10 years ago there were few changes, technically speaking. There's been a revolution and we have a responsibility to train people."

Inaugurated last month, it replaces the Chrysler training center in Mexico City, which was severely damaged by earthquakes that struck Mexico City in 1985.

Montalvo, a Chrysler employee for 32 years who has been in charge of service and training in Mexico since 1965, considers the new center the "most modern in Mexico and Latin America."

Chrysler Mexico has other training centers in Guadalajara and Monterrey. The company wants to open centers in Culiacan, Veracruz and Leon.

Sixty percent of the trainees are sent by Chrysler, Mexico's 142 distributors. The remaining portion come from a variety of organizations and institutions, including the army, the highway police and car rental companies.

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SALES

Car sales climb 8.59% in Canada

March also a good month for trucks with advance of 17%

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales in Canada in March were up 8.59 percent over the total for the year-ago month.

Canadian dealers delivered 72,182 North American-built cars in March, compared to 66,470 in March 1986.

Truck sales totaled 35,282 in March, up 17.36 percent over 30,063 a year ago.

General Motors, Ford Motor Co. and Chrysler Motors continued to offer cash rebates and low interest rates on some vehicles. American Motors offered a longer warranty as the only incentive on its products.

Car sales for the first three months of the year were down 8.77 percent from the same period in 1986. The three-month total this year was 157,756 compared to 172,919 in 1986.

Four domestic carmakers showed increases in car sales over the year-ago month during March, and one was down. Honda, Canada's sixth automaker, began producing four-door Accord models in its Alliston, Ontario, plant in November 1986. It also began importing its Acura sedan and coupe to Canada in March. It sold 476 Canadian-built cars and 471 Acuras last month.

Ford posted the largest percentage gain in car sales. It sold 18,455 domestic cars last month, 10.83 percent more than the 16,651 sold in March 1986.

A Ford of Canada spokesman said the company offered cash rebates or cut-rate financing on 1987 Tempo, Topaz, Mustang and Tracer models and 1986 Lynx models. Low-rate financing on Ranger in the first half of the month was the only incentive on Ford trucks.

GM sold 37,255 cars, up 9.74 percent from the 33,946 sold in March 1986. GM offered cash-back incentives on Chevrolet Celebrity, Oldsmobile Cutlass Ciera, Pontiac 6000, Buick Century and other models, according to a GM of Canada spokesman.

Sales of North American-built Chrysler cars were up 2.6 percent in March, rising to 15,417 from 15,024 in March 1986. Chrysler offered cash-back incentives ranging from $500 to $1,500 on many of its cars and light-duty trucks.

AMC sales continued to fall in March. Renault sales dropped to 350 from 659 in March 1986. AMC Eagle sales totaled 40 vs. 36 in March 1986.

Volvo sold 768 cars in March compared to 622 in March 1986. It gave no breakout, but Automotive News estimated that this year's total included 189 Canadian-built cars.

March proved to be a strong month for domestic truck sales in Canada. AMC Jeep and Chrysler posted record truck sales last month.

GM truck sales in March rose 12.04 percent, going to 14,497 from 12,939 a year ago. Ford sold 11,896, up 14.51 percent from 10,388 a year ago. Chrysler reported 7,203 domestic-truck sales, up 28.55 percent over the 5,603 sold in March 1986. AMC sold 1,686 Jeeps in March, 48.80 percent more than the 1,133 sold in March 1986.

Sales of captive imports in Canada last month were as follows:

GM sold 1,166 Suzuki-built Firefly (Sprint) models and 99 Isuzu-built Sunburst (Spectrum) models. Ford sold 833 Mercury Tracers and 30 Merkur XR4Ti models. Chrysler sold 997 Mitsubishi cars, 197 Mitsubishi trucks and 70 Peugeot cars. AMC sold 381 imported Renault cars, including 96 Medallion units, which were introduced last month.

Honda sold 6,881 Japanese-built models in addition to the 476 built in Canada.

CANADIAN SALES

	March 1987	March 1986	Pct. Change	3 mos., 1987	3 mos., 1986	Pct. Change
AMC						
Cars	340	695	−43.88	1,242	2,282	−45.57
Jeeps	1,686	1,133	+48.80	4,451	3,240	+37.37
CHRYSLER						
Cars	15,417	15,024	+2.61	32,253	37,097	−13.05
Trucks	7,203	5,603	+ 28.55	14,919	14,068	+ 6.04
GM						
Cars	37,255	33,946	+9.74	79,142	90,502	−12.55
Trucks	14,497	12,939	+ 12.04	35,191	34,587	+ 1.74
FORD						
Cars	18,455	16,651	+ 10.83	43,989	42,502	+ 3.49
Trucks	11,896	10,388	+ 14.51	30,353	28,164	+ 7.77
VOLVO						
Cars	189	154	+22.72	470	536	−12.31
HONDA	476	—	—	660	—	—
TOTAL CAR	72,182	66,470	+8.60	157,756	172,919	−8.77
TOTAL TRUCK	35,282	30,063	+ 17.36	84,914	80,060	+ 6.06

Japanese set fifth sales record at home

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Sales of Japanese-made vehicles in their home market reached a record 4.12 million units in the fiscal year ended March 31. It marked the fifth consecutive year the fiscal record has been broken.

The Japan Automobile Dealers Association said March's domestic-vehicle sales volume — 588,697 — eclipsed the previous record of 571,557 units set in March last year.

At the same time, Japan Automobile Importers Association figures show that demand for imported cars in March achieved the 39th year-to-year monthly increase with a record 9,495 sales.

March's domestic total brought domestic sales for the fiscal year to a record 4,120,596 units, an increase of 2.3 percent from the previous year's 4,028,132 units.

The dealer association attributed March's increase to sales drives by all manufacturers on the domestic front to compensate for the export slump caused by the yen's appreciation.

March domestic-car sales increased by 1.7 percent to 437,976 units. Sales of Japanese-built trucks climbed 6.9 percent to 146,880 units, and buses were up 3.9 percent to 3,841 units.

Meanwhile, the import association noted that March's import volume of 9,495 units was 40.2 percent above the 6,773 cars sold in the same month a year ago. It was sufficient to move ahead of the previous monthly import high of 7,729 set last December.

Cumulative sales of import cars during the first three months of calendar 1987 totaled 19,555 units, an increase of 39.8 percent over the 13,988 sold in the same period last year.

The association attributed the sharp rise in import car sales to dealers lowering prices due to the yen's appreciation, and to a reduction in interest on car loans.

March import sales figures include 3,574 regular-size cars (up 42.2 percent from last year's 2,513 units) and 5,921 compact cars (up 39.0 percent from the 4,260 sold last year).

West German cars took the lion's share of the the import sales in March with 7,322 units. BMW was top among the West German cars with 2,343 units, followed by Volkswagen with 2,309 and Mercedes-Benz with 1,719.

However, the biggest percentage gains were recorded by U.S.-built cars. Their increase was 112.3 percent to 450 units, compared with 212 the year before. Swedish sales jumped 69.0 percent to 419 units compared with 248 a year ago.

Landover Group to buy 2 SKF Industries' firms

KING OF PRUSSIA, Pa. — SKF Industries, a bearing manufacturer here, has agreed to sell its California-based Dura-Bond Bearing Co. and Eurasian Automotive Products units to the Landover Group, based in Radnor, Pa.

The Landover Group operates Hansa Products, Landover, Md., a regional distributor of imported auto parts. Hansa will retain its current management and will operate the former SKF firms separately.

Landover Eurasian Co. has been formed to operate Eurasian Automotive, a national imported parts distributor. Landover Dura-Bond Co. has been formed to operate Dura-Bond Bearing, which manufactures specialized engine parts.

Raymond B. Langton, president of the SKF automotive parts unit, said the sale of the two SKF operations reflects the company's desire to concentrate on its core business of manufacturing and marketing roller bearings for automotive, aerospace and industrial uses.

The sale is expected to be completed by mid-April.

IMPORT SALES BY MODEL

	March 1987	March 1986	3 Mos., 1987	3 Mos., 1986
ACURA	8,774	704	21,497	704
Integra	5,205	377	13,166	377
Legend	3,369	327	8,331	327
ALFA ROMEO	538	390	1,636	1,091
AUDI	2,489	6,088	6,533	15,865
4000S	478	1,323	1,198	3,315
4000CS Quattro	172	361	540	1,112
5000S	1,308	3,234	3,334	8,274
5000CS Turbo	200	578	545	1,757
5000CS Turbo Quattro	217	301	623	642
Coupe GT	114	291	293	765
BMW	7,504	8,030	19,077	20,576
318i	2	169	6	654
524 TD	10	212	22	642
325	5,294	5,249	13,561	12,788
528e	981	1,017	2,557	2,673
535i/535iS	583	550	1,471	1,540
635CSI	188	268	481	712
7-Series	326	565	812	1,569
M5	39	0	40	0
M6	81	0	127	0
CHEVROLET	10,571	14,510	29,314	34,689
Spectrum	6,673	9,149	17,934	19,016
Sprint	3,898	5,361	11,380	15,673
CHRYSLER/MITSUBISHI	11,269	12,388	29,662	35,490
Colt	6,710	8,826	18,548	26,121
Conquest	1,522	526	3,243	1,421
Vista	3,037	3,036	7,871	7,948
HONDA	21,536	30,554	63,815	101,378
Civic/CRX	9,953	14,423	28,415	54,654
Accord	7,183	9,185	21,116	27,089
Prelude	4,400	6,946	14,284	19,635
HYUNDAI	19,502	10,432	56,164	11,020
ISUZU	1,917	2,791	5,489	9,804
I-Mark	1,415	1,569	3,557	4,980
Impulse	499	1,222	1,932	4,824
JAGUAR	1,545	1,968	4,068	4,652
XJ6	1,119	1,573	3,001	3,720
XJS	426	395	1,067	932
MASERATI	60	151	180	413
MAZDA	19,188	23,561	40,280	62,002
323	7,541	7,048	15,556	20,744
626	7,753	11,380	16,168	27,835
RX-7	3,894	5,133	8,556	13,423
MERCEDES BENZ	7,946	7,510	22,120	22,577
190	1,679	1,296	4,817	5,780
260E	524	0	1,193	0
300	2,164	1,805	6,018	6,376
300SDL Turbo	662	127	1,739	189
420SEL	1,194	1,470	3,304	4,531
560SEL	552	865	1,640	2,214
560SL	981	1,095	2,889	2,790
560SEC	190	222	470	696
MERKUR	1,219	1,363	2,115	3,726
MITSUBISHI	6,431	4,089	14,071	12,937
Starion	531	502	1,378	1,601
Cordia	351	480	983	1,404
Tredia	308	797	971	2,681
Mirage	1,322	860	3,646	3,158
Galant	867	1,450	3,081	4,093
Precis	2,457	0	2,457	0
Van/Wagon	595	0	1,555	0
NISSAN	41,824	33,357	110,452	101,405
Sentra	14,608	7,939	38,256	23,623
Pulsar	6,648	4,217	18,156	12,054
Stanza	5,988	3,283	17,637	12,107
Maxima	7,938	8,539	23,154	25,904
200SX	3,076	4,256	9,819	13,075
300ZX	3,344	5,123	11,605	14,118
Hawaii	222	0	825	524
PEUGEOT	714	1,292	2,261	3,405
PORSCHE	2,394	2,545	5,863	6,407
924S	273	0	582	0
944	567	1,051	1,402	2,761
944S	278	0	735	0
944 Turbo	244	552	661	1,270
911 Coupe	406	410	1,023	1,052
911 Turbo	150	134	312	316
911 Cabriolet	288	155	526	392
928S	188	243	522	616
RENAULT	1,139	342	1,139	966
18i	0	186	0	470
Fuego	0	156	0	495
Medallion	1,139	0	1,139	0
SAAB	3,817	3,752	10,762	10,200
900	812	1,102	2,231	3,059
900S	1,119	1,151	3,309	2,891
900 Turbo	792	565	2,055	1,718
9000S	340	0	661	0
9000 Turbo	681	885	2,374	2,395
Tourist	73	49	133	137
STERLING	1,535	0	2,578	0
SUBARU	13,862	16,957	34,943	48,399
Hatchback	663	1,627	1,990	4,562
3-Door	1,153	927	2,887	1,857
4-Door Sedan	3,538	5,540	8,637	15,190
XT	1,938	2,466	4,627	6,428
Station Wagon	5,665	6,669	14,719	20,322
Justy	905	0	2,083	0
TOYOTA	37,099	39,006	101,117	124,291
Corolla	7,885	8,544	19,481	28,580
Tercel	6,287	5,835	16,262	17,003
Celica	4,905	7,038	14,901	24,340
Supra	1,865	1,938	6,128	2,715
Camry	10,909	8,728	29,837	28,950
Cressida	1,583	2,411	4,957	6,957
Land Cruiser	380	213	989	994
Van	1,410	1,279	3,477	4,567
4Runner SR 5	96	729	314	1,850
MR2	1,455	1,564	3,503	6,839
Hawaii	324	429	988	1,496
VOLKSWAGEN	9,959	13,008	23,882	33,781
Cabriolet	1,204	1,406	2,857	3,277
Jetta	5,867	8,750	14,466	23,707
Vanagon	880	967	2,092	2,564
Quantum	524	949	1,415	2,193
Scirocco	587	936	1,618	2,040
Fox	897	0	1,436	0
VOLVO	10,562	10,336	32,224	31,459
240 Series	5,185	4,881	15,791	15,175
740 Series	4,206	4,314	12,725	12,432
760 Series	1,070	834	3,426	2,878
780	0	0	1	0
Tourist	101	307	281	974
YUGO	4,572	1,819	13,805	6,378
IMPORT TOTAL	246,966	246,945	664,046	703,614

SALES

DOMESTIC CAR SALES

	March 21, to March 31, 1987	Same Period, 1986	March 1987	Same Month, 1986	Jan. 1 to March 31, 1987	Same Period, 1986
Alliance	0	0	2,539	4,373	6,579	13,764
Encore	0	0	0	1,236	0	3,090
Total Renault	0	0	2,539	5,609	6,579	16,854
Eagle	0	0	409	691	1,091	2,307
Total AMC	0	0	409	691	1,091	2,307
AMERICAN MOTORS	1,198	2,420	2,748	6,300	7,670	19,161
Horizon	2,680	2,653	6,719	6,827	19,904	19,608
Sundance	2,786	0	6,203	0	15,504	0
Turismo	1,744	1,588	3,952	3,798	7,589	10,731
Reliant	4,759	3,281	12,533	8,898	27,736	34,933
Caravelle	1,314	1,291	4,157	3,730	9,028	8,956
Plymouth	239	477	477	1,346	1,242	3,475
Total Plymouth	13,512	9,270	34,041	24,957	81,003	77,703
Laser	364	1,169	858	2,768	2,274	6,336
LeBaron K	2,374	3,256	5,611	8,110	12,617	24,023
LeBaron J	1,828	0	4,050	0	9,504	0
LeBaron GTS	1,740	2,212	4,218	6,094	9,587	16,551
Fifth Avenue	2,172	3,024	4,852	9,340	10,241	20,018
New Yorker	2,884	1,902	5,804	5,059	12,654	12,287
Total Chrysler	11,362	11,565	25,393	31,371	55,877	79,215
Omni	2,306	2,407	5,563	6,499	16,692	17,782
Shadow	2,502	0	5,929	0	15,544	0
Charger	1,936	1,847	4,551	3,890	8,674	11,303
Daytona	1,136	1,463	2,805	3,552	5,850	8,074
Aries	4,543	2,685	10,880	7,702	25,780	24,389
Lancer	1,353	1,452	2,987	5,104	8,007	12,100
Diplomat	308	967	694	2,427	2,220	5,808
Dodge 600	1,496	2,193	3,806	5,803	8,953	13,088
Total Dodge	15,580	12,834	37,215	34,977	91,730	92,544
CHRYSLER MOTORS	40,454	33,669	96,649	90,945	228,610	249,462
EXP	0	0	0	0	0	0
Escort	14,987	12,185	39,302	32,232	84,561	91,843
Mustang	8,031	5,948	21,551	16,643	49,974	39,352
Tempo	9,051	6,566	24,177	18,129	60,821	65,462
Taurus	12,779	5,928	32,070	16,011	78,535	36,580
Thunderbird	3,771	4,093	10,879	11,102	27,193	36,966
LTD	0	1,385	0	3,966	0	13,119
Crown Victoria	4,412	4,637	11,539	12,329	26,206	30,010
Total Ford Division	53,031	40,742	138,518	112,412	327,290	313,352
Lynx	2,836	2,006	6,371	5,491	13,522	17,155
Topaz	2,575	1,891	7,054	4,859	17,465	16,126
Sable	4,119	3,117	9,593	8,688	22,203	17,108
Cougar	4,209	3,212	9,986	8,207	22,328	28,641
Capri	0	442	0	1,188	0	2,975
Marquis	0	642	0	1,773	2,510	5,855
Grand Marquis	4,867	3,900	10,998	10,715	23,134	25,547
Total Mercury	18,408	15,000	44,014	40,921	101,160	113,407
Continental	645	655	1,413	1,817	3,564	4,680
Lincoln	5,817	4,083	10,915	10,415	25,135	27,622
Mark VII	1,348	981	2,468	1,925	5,480	4,667
Total Lincoln	7,810	5,497	14,796	14,157	34,179	37,009
Total L-M Division	26,218	20,427	58,810	55,078	135,339	150,416
FORD MOTOR COMPANY	79,249	61,169	197,328	167,490	462,629	463,768
Skyhawk	1,507	2,640	3,428	6,738	8,037	15,044
Skylark	0	0	0	0	0	0
Somerset Regal	2,867	2,418	7,142	6,328	17,291	28,280
Century	5,722	6,637	14,710	16,635	35,983	57,833
Regal	2,026	2,364	5,064	6,224	11,579	21,813
LeSabre	4,406	3,433	11,178	8,582	30,593	18,363
Electra	2,460	3,708	6,363	9,935	17,213	31,256
Riviera	643	599	1,969	1,535	7,016	4,241
Total Buick	19,631	21,799	49,854	55,957	127,692	176,830
Cimarron	448	726	1,075	1,805	2,853	4,617
Allante	82	0	270	0	329	0
Seville	858	537	2,024	1,357	7,044	3,606
Cadillac	5,686	6,990	15,424	18,822	43,180	57,227
Eldorado	579	724	1,355	1,881	4,977	5,241
Total Cadillac	7,653	8,956	20,148	23,955	58,383	70,691
Chevette	926	3,140	2,638	9,195	11,906	19,470
Nova	4,558	2,958	9,691	7,311	21,911	34,682
Cavalier	11,133	9,528	35,461	25,848	95,210	100,079
Citation	0	60	0	187	0	599
Camaro	5,203	6,086	13,536	16,996	32,597	37,346
Celebrity	14,673	10,640	35,877	31,127	85,642	99,230
Corsica/Beretta	4,099	0	8,911	0	12,579	0
Monte Carlo	2,310	3,483	5,462	10,086	13,606	23,782
Chevrolet	6,419	8,315	16,097	21,954	40,847	54,069
Corvette	997	1,283	2,322	3,487	5,668	7,345
Total Chevrolet	50,318	45,493	129,995	126,191	319,968	376,602
Firenza	707	1,170	1,454	3,374	3,798	8,338
Calais	4,287	3,548	10,768	11,706	25,299	27,180
Cutlass Ciera	10,992	7,206	25,747	22,117	62,584	82,441
Cutlass Supreme	4,081	4,633	11,898	14,433	28,656	57,432
Olds 88	6,811	6,222	16,903	17,524	40,727	41,169
Olds 98	2,293	3,129	5,488	12,320	14,717	30,785
Toronado	590	402	1,372	1,219	3,901	3,481
Total Oldsmobile	30,571	26,220	73,630	82,693	179,682	256,826
Fiero	2,149	1,932	4,665	4,827	11,385	16,131
1000	323	756	868	2,043	2,715	5,373
Sunbird	3,669	2,520	8,893	6,322	21,789	26,168
Firebird	3,029	3,349	7,306	8,776	16,788	21,394
Grand Am	8,247	6,552	19,193	18,169	50,691	46,697
6000	5,560	4,358	12,260	12,595	31,314	41,606
Bonnneville/Grand Prix	806	1,011	1,847	2,761	4,990	11,609
Grand Prix	0	1,105	0	2,862	0	11,411
Parisienne/Bonneville	4,124	3,190	10,317	8,729	24,073	20,482
Total Pontiac	27,909	24,773	65,380	67,084	163,745	200,871
GENERAL MOTORS	136,082	127,241	339,007	355,880	849,470	1,083,820
VOLKSWAGEN	2,145	3,342	4,324	6,198	10,951	18,392
HONDA	16,635	6,358	28,476	15,175	76,225	43,075
NISSAN	4,635	2,536	10,136	7,363	23,899	20,209
TOYOTA	1,960	0	3,455	0	7,294	0
DOMESTIC TOTAL	282,358	236,735	682,117	649,351	1,666,748	1,897,887
IMPORT TOTAL			247,966	246,945	664,048	703,614
INDUSTRY TOTAL			930,083	896,296	2,330,796	2,601,501

Spring spurs domestic-car sales; late March brings 19% advance

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

The gardening, golf, professional baseball and other warm-weather seasons have started. And, by the looks of the figures, so has the budding of a spring upturn in the sales of U.S.-built autos.

Retail deliveries of new domestic and imported cars were depressed from year-earlier levels through the first quarter of 1987. Domestics, however, showed a burst of improvement in the closing 10 days of March.

That burst prolonged and expanded a steady growth in the daily selling rate that has been in evidence so far this year in spite of poor year-to-year comparisons.

Domestic deliveries, bolstered by high-powered sales incentive campaigns, totaled 682,117 last month, a 5.04 percent increase over 649,351 in March 1986.

Sales were up 19.27 percent in the final 10 days of the month to 282,358 compared with 236,735 last year.

The quarter closed with domestic sales off 12.17 percent with a total of 1,666,748 units compared with 1,897,887 in the similar 1986 three-month period.

Import sales in the month dipped 0.41 percent to 247,966 units from 246,945. For the quarter, sales were off 5.62 percent to 664,048 units vs. 703,614 in the similar period last year.

Imports captured a hefty 26.66 percent of the market last month in spite of the decrease. Their share was a bit below the 27.60 percent of market they garnered in March 1986.

Importers generally do not report 10-day sales.

Combined sales of United States-built and imported cars in March were up 3.76 percent to 930,083 units compared with 896,296 a year earlier.

But with a total of 2,330,796 units, combined sales — U.S. and foreign — in the quarter were down 10.40 percent from the year-earlier total of 2,601,501.

March's indicated daily selling rate for domestically built automobiles was 26,235 compared with 24,215 for February and 17,107 for January.

In March last year, the sales rate was 24,975 units per day.

March sales of the Renault Medallion, which was in its first month on the market, totaled 1,139 units and were in line with American Motors' forecast, according to William E. Enockson, group vice president — North American sales and marketing.

Sales records of any kind have been scarce so far this year, but Jaguar Cars Inc. set one in March with 1,067 deliveries of the XJ-S sport coupe. The previous record of 932 units was set in March 1986, the company said.

Another record was set by Saab, which has been setting monthly sales records since April 1982.

"As far as we know, no other car make can boast of an unbroken string of monthly sales records as long as five years," said Robert J. Sinclair, president of Saab-Scania of America.

However, even while congratulating Saab dealers, Sinclair had a word of caution for them.

"Our allocation of cars is only a few thousand over the 47,000 or so we received last year. With that kind of limited availability, we must expect the string of records to break sooner or later regardless of the continuing strong demand for Saab cars," Sinclair said.

Like other executives, Bob McCurry, senior vice president of sales and operations for Toyota Motor Sales U.S.A., blamed slow sales in early 1987 on a buying surge at the end of 1986.

"In addition, our availability — particularly in many popular car lines — is down," McCurry said. "But March showed sure signs of recovery and we expect the trend to continue through spring."

Sung Hak Park, president of Hyundai Motor America, was even more optimistic. He said his organization is on target for 240,000 sales this calendar year.

"The record-breaking consumer response we experienced during our launch has continued into our second year on the market. There definitely is great strength in this market segment," Park said.

Where the U.S. market was March 1987

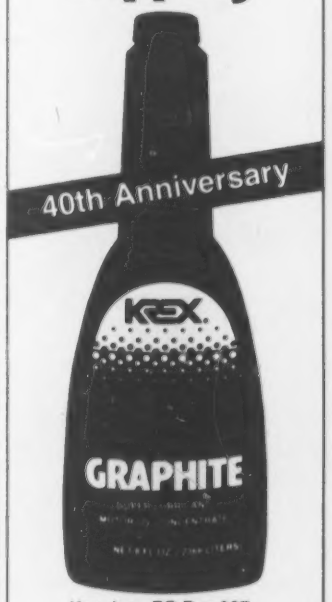
	Total Sales	Pct. of Total
SUBCOMPACT	144,385	15.52
COMPACT	156,853	16.86
INTERMEDIATE	246,441	26.50
STANDARD	78,203	8.41
LUXURY	56,235	6.05
IMPORT	247,966	26.66
TOTAL	930,083	100.00

U.S. CAR SALES BY MARKETING UNITS

	Mar. 1987	Mar. 1986	3 Mos., 1987	3 Mos., 1986
Chevrolet	140,566	140,701	349,282	411,291
Ford	138,518	112,412	327,290	313,352
Oldsmobile	73,630	82,693	179,682	258,826
Toyota	40,554	39,008	108,411	124,291
Pontiac	65,380	67,084	163,745	200,871
Buick	49,854	55,957	127,692	176,830
American Honda	58,786	46,433	161,537	145,157
Nissan	51,954	40,720	143,351	121,614
Dodge	42,550	41,543	105,979	111,124
Mercury	45,233	42,284	103,275	117,133
Plymouth	38,684	30,419	93,546	94,515
Chrysler	26,684	31,371	58,747	79,215
VWoA	16,772	25,294	41,366	68,038
Hyundai	19,502	10,432	56,164	11,020
Cadillac	20,148	23,955	58,383	70,691
Mazda	19,188	23,561	40,280	62,002
Subaru	13,862	16,957	34,943	48,399
Lincoln	14,796	14,157	34,179	37,009
Volvo	10,562	10,336	32,224	31,459
BMW	7,504	8,030	19,077	20,576
Mercedes	7,946	7,510	22,120	22,577
AMC-Renault	3,887	6,642	8,809	20,126
Saab	3,817	3,752	10,763	10,200
Mitsubishi	6,431	4,089	14,071	12,937
Yugo	4,572	1,819	13,805	6,378
Porsche	2,394	2,545	5,863	6,407
Jaguar	1,545	1,968	4,068	4,652
Isuzu	1,917	2,791	5,489	9,804
Peugeot	714	1,292	2,261	3,405
Alfa Romeo	538	390	1,636	1,091
Maserati	60	151	180	413
Sterling	1,535	—	2,578	—
TOTAL	930,083	896,296	2,330,796	2,601,501

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

Tough 'n Slippery



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Design award for Pininfarina

Sergio Pininfarina was awarded the 1987 Design of the Year award for the Cadillac Allante at the opening ceremonies of Auto Expo '87 in Los Angeles. Pininfarina is the only two-time winner of Auto Expo's Design of the Year award. He received the award in 1985 for the Ferrari Testarossa. Pininfarina heads the Italian design firm that bears his family name.

AUCTION DATES

American Motors

April 14 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

April 15 — Columbus Fair Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

April 16 — Todd Auto Auction, Telford, Pa., and Evansville Auto Auction, Evansville, Ind.

April 21 — D-A Auto Auction, New Stanton, Pa.

April 22 — Minneapolis Auto Auction, Plymouth, Minn.

April 23 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

April 24 — St. Louis Auto Auction, Bridgeton, Mo.

April 28 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

April 29 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

April 30 — Kansas City special A/J/R dealer only sale, Kansas City, Mo.; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

April 14 — American Auto Auction, Walpole, Mass.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

April 15 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

April 16 — Northway Exchange Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Indianapolis Auto Auction, Indianapolis

Used Car Sales
Auction Averages

April to date	$5,839
Month ago	$5,747
Year ago	$5,000

April 21 — Hatfield Auto Auction, Hatfield, Pa.; Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; and Dallas Auto Auction, Grand Prairie, Texas

April 22 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Ford Motor Co.

April 15 — Lakeland Auto Auction, Lakeland, Fla.

April 16 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

April 21 — South Seattle Auto Auction, Kent, Wash.

April 22 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

April 23 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

April 24 — Interstate Auto Auction, Mercer, Pa.

April 28 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

Model Breakdown
Auction Averages

	APR 1987	MAR 1987	FEB 1987
1987	$12,918	$13,443	$13,406
1986	$9,536	$9,609	$10,038
1985	$7,296	$7,305	$7,382
1984	$5,814	$5,825	$5,940
1983	$4,890	$4,860	$4,843
1982	$3,765	$3,755	$3,628
1981	$2,634	$2,643	$2,537
1980	$2,187	$2,155	$2,167
Overall Average	$5,839	$5,829	$5,711

April 29 — Metro Auto Auction of Kansas City, Lee's Summit Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

April 30 — Nashville Auto Auction, Nashville, Tenn.

General Motors

April 14 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

April 15 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

April 16 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

April 21 — Harrisonburg Auto Auction, Harrisonburg, Va.

April 22 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

April 23 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

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Overcapacity is conference topic

ANN ARBOR, Mich. — Automotive industry experts will gather here this week to discuss worldwide overcapacity and the struggle to cope with it.

"Is there enough business to go around?" will be the theme of the seventh U.S.-Japan Automotive Industry Conference April 14-15 at the University of Michigan.

In the past year, the automotive industry worldwide has begun to experience a number of problems, said conference director Peter J. Arnesen. He is director of the university's East Asia Business Program.

General Motors has begun laying off workers and closing plants, and Nissan reported an operating loss for the first time since the 1950s, Arnesen noted.

"But the more serious threat lies in the great deal of overcapacity in the global automotive industry today," he said. "The struggle to cope with this overcapacity is going to produce severe dislocations in the long run."

The conference consists of a public forum Tuesday and workshops on specialized topics on Wednesday. The keynote speaker at Tuesday's public forum will be Dr. Richard J. Schonberger, consultant and author of "Japanese Manufacturing Methods" and "World Class Manufacturing."

Other forum speakers include: E. Michael Mutchler, GM vice president and group executive; Douglas Fraser, former UAW president and professor of Labor Studies, Wayne State University; Ariyoshi Okumura, director and general manager, Industrial Bank of Japan; Stephan Doblin, vice president, planning and control, Renault; and John Betti, executive vice president, Ford Motor Co.

FORD

FROM PAGE 3

apparently would have recall responsibility only for defects that result from the alteration. If the defect exists in a component of the previously completed vehicle, the original manufacturer apparently would retain responsibility for conducting the recall."

This means Ford "would have recall responsibility for a defect which may be found in E-350 vans which have been altered but Ford may not have such responsibility for E-350 chassis delivered as incomplete vehicles."

Davis also told Ford he is sending letters to all final-stage ambulance manufacturers explaining their recall responsibilities.

The Ford plan announced by the Virginia attorney general and by Ford's safety director is not an official recall. The consumer group Center for Auto Safety, charged that the Ford program is not sufficient since it does not cover what the center called non-ambulance Ford vans and chassis with dual gas tanks.

A letter from Robert Dewey of the Center for Auto Safety to NHTSA head Diane Steed urges the agency to force Ford to recall all 324,000 Ford vehicles it says are potentially affected.

The center has had a petition pending since January for the recall of 1984-86 Ford Econoline vans, chassis and ambulances. The day of the Virginia announcement of Ford's plan to modify 1981-87 E-350 cutaway chassis and vans, the center sent to NHTSA 81 new reports of overpressurized fuel, including seven fires and four injuries. Twenty-two of these were on ambulances, some on motor homes attached to Ford chassis and some on regular production Ford vans that had not been modified or converted.

Spin off of Magna division likely; stock sale favored

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Magna International, Canada's leading auto parts supplier, expects to turn one of its operating groups into a separate public company by the end of the year.

The move would be in line with Magna's philosophy to keep its operating units relatively small despite overall dramatic growth, said Jim McAlpine, executive vice president. A stock sale would also allow the division to raise its own cash to help finance further expansion.

"We believe that public scrutiny is perhaps the best test of a company," explained Stephen I. Rodgers, Magna's planning director. In addition, Magna employees, who annually receive compensation based on the company's profits, could identify more closely with the su ess of their group, Rodgers said.

The most likely candidate for such a move is Magna's Cosma International Inc., which was formed earlier this year. The unit links Magna's stamping operations with its previous Cosma group. That unit was formed last year to supply car bodies for American Motors' Premier model at AMC's assembly plant in Bramalea, Ontario.

The stamping division alone had sales of $362 million in fiscal 1986. As Magna's divisions grow past the $400 million sales mark, the company believes they will be big enough to attract investors on their own.

John Miller, an analyst with Gardiner Watson in Toronto, said the plan could create other challenges while helping Magna raise cash.

"What it does is really questionable as far as your stock is concerned because you're really selling part of the company," Miller said. "Will investors be willing to pay the same price for a Magna with fewer assets?"

Rodgers said that concern is one of several that Magna will have to iron out before it goes ahead with its plan. The company is studying ways for Magna shareholders to share dividends or profit in some other way from the success of the other public firms it creates.

McAlpine also said that Magna needs to make its employees, customers and investors understand the rationale before it goes ahead. "It's got to be win-win for everybody or else it's no deal."

Magna, based in Markham, Ontario, went public in 1971. The company earned $1.02 billion in fiscal 1986, up 49 percent from the previous year.

In addition to Cosma, Magna has three other principal operating groups: Atoma (seating, mirrors, doors), Concord (trim, plastic components), and Maple (engine cooling systems, power train products).

Sales rate increases; days' supply declines

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

There has been a significant reduction in the industry's days' supply of unsold domestic cars in the last two months.

The U.S. industry's total number of cars on dealer lots or in transit April 1 stood at 1,945,438 units, the equivalent of a 74-day supply. A month earlier, the total was 1,869,591, equal to an 81-day supply, according to an Automotive News analysis.

But on Feb. 1, the supply was the equivalent of 105 days.

The total domestic-car inventory was the highest for any April 1 since 1979 when it stood at 1,974,082, a 62-day supply.

Several market influences are being felt, according to industry sources. For example, factory-backed sales-incentive campaigns and dealership promotions are widespread. And history shows that retail deliveries generally rise in the spring. A sales surge will contribute to industrywide car-supply reductions.

A series of General Motors assembly plant shutdowns began last week and should sharply pare the inventory of GM cars quickly, industry sources said.

American Motors' Alliance line in Kenosha, Wis., was closed during the final week of March because of sluggish sales.

As a rule of thumb, a 60-day supply of domestic cars is considered optimal. For imports, at least before quotas, it is 65 days.

Inventories of imported cars as of April 1 totaled 539,759 units, the equivalent of a 57-day supply. A month earlier the tally stood at 531,520 units, or a 58-day supply. As of April 1, 1986, the total was 338,084 units, or a 37-day stockpile.

The inventory of imported trucks as of April was 222,158 units, equal to a 65-day supply, compared with 222,077 units, or a 73-day stock, a month before.

By company, April 1 domestic-car inventories were divided this way: GM, 57.10 percent; Ford Motor Co., 24.97 percent; Chrysler Motors, 13.67 percent; Nissan, 1.37 percent; Volkswagen, 1.06 percent; AMC, 0.94 percent; Toyota, 0.47 percent; and Honda, 0.42 percent.

By size class, the April 1 domestic new car stockpile was comprised of 39.90 percent intermediates, 19.52 percent compacts, 19.01 percent subcompacts, 11.20 percent standards and 10.37 percent luxury cars.

Shares a month earlier were: Intermediates 37.25 percent, compacts 21.07 percent, subcompacts 19.83 percent, standard-size cars 12.35 percent and luxury 9.50 percent.

For imports, inventories by nation of origin shaped up this way as of April 1: Japan, 67.22 percent; West Germany, 20.59 percent and others 12.19 percent.

A month before, it was: Japan, 72.71 percent; West Germany 17.79 percent and others 9.50 percent.

Days' supply of imported trucks stood this way on April 1 (March 1 figure in parentheses): Chrysler 89 (101), Isuzu 86 (93), Nissan 84 (86), Mitsubishi 70 (69), Mazda 71 (66), Toyota 48 (64) and Suzuki 16 (22).

IMPORT DAYS' SUPPLIES

	Apr. 1, 1987	Mar. 1, 1987	Apr. 1, 1986
Spectrum	126	143	103
Sprint	156	148	73
Chevrolet	137	145	92
Chrysler Corp.	87	109	62
Acura	44	41	0
Honda	11	15	12
Isuzu	161	176	68
Mazda	55	88	11
Mitsubishi	43	57	25
Nissan	82	61	42
Subaru	110	101	27
Toyota	16	30	5
JAPAN	55	61	29
Audi	248	272	87
BMW	64	54	71
Mercedes-Benz	34	25	26
Merkur	49	156	78
Porsche	88	80	49
VW	130	114	83
GERMANY	92	83	67
Alfa Romeo	53	41	55
Hyundai	20	22	0
Jaguar	33	27	22
Peugeot	95	92	69
Renault	210	0	242
Saab	63	48	54
Sterling	30	17	0
Volvo	46	42	57
Yugo	34	26	32
Other Countries	39	30	55
Total Import Cars	57	58	37
Isuzu	86	93	84
Mazda	71	66	31
Mitsubishi	70	69	79
Nissan*	84	86	47
Suzuki	16	22	8
Toyota	48	64	21
Chrysler	89	101	74
Total Imp. Trucks	65	73	40
Total Imp. Vehicles	59	62	38

*Includes domestic trucks.

DOMESTIC DAYS' SUPPLIES

	Apr. 1, 1987	Mar. 1, 1987	Apr. 1, 1986
Alliance	182	182	118
Encore	0	0	229
Total Renault	182	182	143
Eagle	117	117	136
Total AMC	117	117	136
AMERICAN MTRS.	172	173	142
Horizon	76	84	65
Sundance	94	95	0
Turismo	80	140	97
Reliant	48	70	79
Caravelle	70	80	85
Plymouth	102	160	51
Total Plymouth	68	87	77
Laser	82	78	156
LeBaron K	84	87	93
LeBaron J	99	78	0
LeBaron GTS	75	94	117
Fifth Avenue	65	121	77
New Yorker	96	93	90
Total Chrysler	83	92	98
Omni	71	78	66
Shadow	77	71	0
Charger	59	126	103
Daytona	80	84	98
Aries	48	61	82
Lancer	85	84	118
Diplomat	111	120	56
Dodge 600	77	81	91
Total Dodge	67	78	86
CHRYSLER MTRS.	72	85	89
Escort	62	69	51
Mustang	27	35	61
Tempo	71	68	82
Taurus	75	84	34
Thunderbird	61	58	86
LTD	0	0	69
Crown Victoria	61	74	63
Total Ford Division	61	65	57
Lynx	89	91	61
Topaz	69	74	67
Sable	87	92	32
Cougar	85	93	79
Capri	0	0	119
Marquis	0	0	67
Grand Marquis	55	60	56
Total Mercury	76	81	60
Continental	55	54	63
Lincoln	53	49	50
Mark VII	61	78	57
Total Lincoln	54	54	53
Total L-M Division	70	75	58
FORD MOTOR CO.	64	68	57
Skyhawk	179	251	104
Somerset Regal	120	146	120
Century	95	111	100
Regal	89	121	112
LeSabre	92	96	66
Electra	119	107	105
Riviera	69	67	91
Total Buick	105	118	100
Cimarron	179	183	91
Allante	43	184	0
Seville	67	66	78
Cadillac	114	91	56
Eldorado	112	120	75
Total Cadillac	112	94	61
Chevette	53	57	57
Nova	132	162	145
Cavalier	55	50	81
Citation	0	0	87
Camaro	60	73	88
Celebrity	58	68	80
Corsica/Beretta	148	276	0
Monte Carlo	146	162	97
Chevrolet	94	94	95
Corvette	101	117	87
Total Chevrolet	78	81	88
Firenza	185	278	128
Calais	59	83	85
Cutlass Ciera	70	87	82
Cutlass Supreme	74	89	97
Olds 88	85	93	88
Olds 98	147	148	41
Toronado	97	97	75
Total Oldsmobile	81	96	82
Fiero	117	130	155
1000	68	80	80
Sunbird	88	98	102
Firebird	80	96	71
Grand Am	49	51	31
6000	95	106	93
Bonn./Gr. Prix	132	148	135
Grand Prix	0	0	148
Parisienne/Bonn.	97	107	77
Total Pontiac	81	90	80
GENERAL MTRS.	85	92	85
VOLKSWAGEN	124	123	80
HONDA	8	6	8
NISSAN	68	85	19
TOYOTA*	68	101	0
DOM. TOTAL	74	81	76
Subcompact	67	72	69
Compact	83	68	80
Intermediate	82	90	81
Standard	72	89	77
Luxury	93	92	66

*Automotive News estimate.

CONGRESS

FROM PAGE 1

bert E. Mercer, chairman and chief executive officer of Goodyear Tire & Rubber Co., who last fall thwarted financier Sir James Goldsmith's hostile takeover bid for the Akron-based company.

Greenwald's and Mercer's talks will address this year's Congress theme, "Facing Up to Competitive Times."

In reflecting on Chrysler's dilemma in the early '80s, Greenwald has said, "Back then all Chrysler could think about was survival. People laughed when we said we were going to make it.

"People aren't laughing anymore. Instead, school kids are sending Lee Iacocca letters that say things like, 'I want to be the best, too, just like you.' "

Mercer will discuss the state of the automotive supplier industry.

The Goodyear chairman recently provided a twist to British financier Goldsmith's claim that American free enterprise is threatened by a triangular alliance of big business, big labor and big government.

"I agree that American free enterprise is threatened by a triangular alliance," Mercer said, "but the alliance we should be worrying about isn't business, labor and government. It's corporate raiders, arbitrageurs and Wall Street investment bankers."

Daily themes of this year's Congress will be: "Strategies for the Domestic Industry," Monday, July 27; "The Importance of a Global Perspective," Tuesday, July 23; and "Coping with Change," Wednesday, July 29.

Among the speakers on Monday, July 27, will be: Norman Braman, chairman of Austin Rover Cars of North America, importer of the Sterling; Edward E. Hagenlocker, vice president of Ford Motor Co. and general manager of Ford Truck Operations; and Rene C. McPherson, former chairman of Dana Corp. and dean of Stanford University's Business School.

Robert White, president of the Canadian United Auto Workers Union, will speak at a post-dinner session on Monday evening, July 27.

Among the speakers on Tuesday, July 28, will be: Robert M. Sinclair, president, Saab-Scania of America Inc., importer of Saab cars; and Michael Kimberley, managing director and chief executive officer of Group Lotus, British-based manufacturer of Lotus cars, which was purchased last year by General Motors.

Speakers on Wednesday, July 29, will include: Helen O. Petrauskas, Ford Motor Co. vice president in charge of environmental and safety engineering; Allen Jacobson, chairman of 3M Co.; and Maryann Keller, auto analyst and vice president of Furman, Selz, Mager, Dietz & Birney.

In all, the Congress will have a total of 34 speakers, sharing their knowledge and viewpoints on where the auto industry stands today and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

PRODUCTION

First-quarter car output 2% below 1986

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers built 2,078,359 cars during the first quarter of this year, 9.18 percent more than the 1,903,518 assembled in the fourth quarter but 2.46 percent less than last year's first-quarter output of 2,130,706.

So far this year, according to adjusted figures, 2,236,609 units have been assembled, 8.32 percent below the 2,439,547 completed last year at this point.

Car production during March totaled 742,941, which was 6.71 percent more than February's 696,195 and 11.34 percent more than the year-ago month's 667,262.

Companies split last week's scheduled output as follows: GM, 50.01 percent; Ford Motor Co., 27.55 percent; Chrysler Motors, 12.24 percent; Honda of America Manufacturing Inc., 4.15 percent; New United Motor Manufacturing Inc., 2.50 percent; Nissan Motor Manufacturing Co. U.S.A., 1.82 percent; Volkswagen of America, 1.25 percent; and American Motors, 0.48 percent.

Beginning April 20, production at GM's Flint, Mich., plant will be cut to four days a week with two eight-hour shifts daily.

On May 20, GM plans to call back 2,220 workers at its Van Nuys, Calif., plant. The plant will be idle from April 30 to May 8 for team training.

The first shift at GM's Doraville, Ga., plant will be idled May 15 to convert to the new GM10 models. However, the second shift will not be shut down for conversion until early June.

GM's Leeds, Mo., plant will be down for two weeks, starting April 27, idling 2,000 workers. When the plant resumes production on May 11, line speed will be reduced by 17 units per hour, putting 700 workers on indefinite layoff.

GM's Arlington, Texas, plant, which is presently working one shift, will be shut down May 8 to prepare it for the full-size cars scheduled to be built there.

About 2,000 workers will be temporarily laid off at Arlington.

The following GM plants resumed output this week after being idle for one week to adjust inventory. They are: Pontiac, Mich.; Detroit-Hamtramck; Wentzville, Mo.; Tarrytown, N.Y.; and the Flint, Mich., body assembly plant.

As previously announced, GM's Oklahoma City plant is down until April 20 for inventory adjustment.

GM slated Saturday (April 11) overtime at its Lansing (No. 1) plant.

Ford slated Saturday overtime at its Lorain, Ohio, plant.

Chrysler's Sterling Heights, Mich., plant was scheduled for Saturday overtime. The plant is slated for daily overtime this week.

All assembly plant will be closed Good Friday.

UPDATED SECOND QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987 2nd Quarter forecast	1986 2nd Quarter actual	1987 1st Quarter actual
GM	1,036,000	1,160,288	1,024,666
Ford	485,000	496,955	534,209
Chrysler	284,800	352,233	315,635
AMC	6,200	16,040	8,647
Honda	84,315	51,093	87,398
NUMMI	51,000	58,909	50,707
Nissan	36,256	25	36,324
VW	24,800	25,726	20,773
Industry	2,008,371	2,161,269	2,078,359

March truck output sets record

U.S. truckmakers produced 358,622 units in March, the highest ever for that month. The previous March peak was 358,126 in 1979.

The month's build was 11.71 percent more than February's 321,017 and 24.09 percent more than the year-ago month's 289,001.

The first-quarter total of 991,375 was the best for that period since 1979 when 1,003,218 trucks were built.

The quarter's output was 21.23 percent more than the fourth quarter's 817,721 and 10.50 percent more than the 897,188 built in the first quarter of 1986.

Year-to-date adjusted figures show that 1,066,383 trucks have been assembled, 3.63 percent more than the 1,029,074 completed last year at this point.

General Motors slated Saturday (April 11) overtime at the following plants: Baltimore; Detroit; Flint, Mich., (No. 2); Lordstown, Ohio; and Pontiac, Mich.

Output goal reduced 7%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers' updated second-quarter production forecast of 2,008,371 cars is 7 percent below last year's output of 2,161,269.

General Motors plans to cut its second-quarter schedule by an additional 94,000 units (Automotive News, March 30). That would bring its total to about 1,036,000 cars, an 11 percent decrease from last year's second-quarter production of 1,160,288.

Ford Motor Co.'s forecast calls for 485,000 units, 2 percent below the 496,955 assembled during the same period last year.

Chrysler Motors' estimated car output of 284,800 is 19 percent below the 352,233 completed during the second quarter of 1986.

Second-quarter output at American Motors is scheduled to decrease 61 percent to 6,200 cars. In the same period of 1986, AMC built 16,040.

Honda of America Manufacturing Inc. has targeted assembly of 84,315 cars, 65 percent more than the 51,093 that were built in 1986's second quarter.

New United Motor Manufacturing Inc. has scheduled production of about 51,000 cars, 13 percent below the last years second-quarter total of 58,909.

Nissan Motor Manufacturing Co., U.S.A., plans to build 36,256 cars this quarter. Last year, Nissan's car plant was down for model changeover to the four-door Sentra and only 25 models were built during the second quarter.

Volkswagen of America has scheduled 24,800 units, 4 percent below the 25,726 completed in last year's second quarter.

Canadian cars, trucks trail 1986

Canadian carmakers assembled 230,383 cars in the first quarter of this year, 20.89 percent less than the 291,237 completed in the fourth quarter and 16.47 percent below last year's first-quarter total of 275,833.

March car production March of 76,599 was 3.26 percent below February's 79,181 and 22.22 percent below the year-ago month's 98,492.

First-quarter truck production totaled 209,711, 39.59 percent more than the 150,226 completed in the fourth quarter but 12 percent below the 238,313 assembled in the first quarter of last year.

March output of 79,212 trucks was 16.10 percent more than February's 68,222 but 0.26 percent below the year-ago month's 79,419.

CANADIAN CAR	Week Ended April 11, 1987	Week Ended April 12, 1986	Week Ended April 4, 1987	March Total	Jan. 1 to April 12, 1986	Jan. 1 to April 11, 1987
AMERICAN MOTORS	150	112	154	694	1,785	2,074
FORD MOTOR	11,153	11,325	10,581	49,339	161,925	148,965
GENERAL MOTORS	0	13,462	2,281	24,610	158,535	82,254
HONDA	200	0	208	856	0	208
VOLVO	225	225	225	900	3,121	2,925
Total Cars, Canada	11,728	25,124	13,449	76,599	325,366	236,426

U.S. TRUCK☆	Week Ended April 11, 1987	Week Ended April 12, 1986	Week Ended April 4, 1987	March Total	Jan. 1 to April 12, 1986	Jan. 1 to April 11, 1987
CHEVROLET	24,378	22,880	19,051	110,865	362,341	318,909
DODGE	4,800	989	4,910	23,961	1,533	68,305
FORD	31,782	30,913	31,437	143,949	419,844	435,436
GMC	9,754	8,503	7,743	34,094	105,530	105,730
NAVISTAR	1,684	1,610	1,596	7,072	21,687	21,052
JEEP	4,500	2,594	4,526	21,390	60,651	63,123
NISSAN	1,730	2,746	1,739	7,891	23,366	23,268
AM GENERAL*	50	50	50	200	722	650
MISCELLANEOUS*	2,300	2,000	2,300	9,200	33,400	29,900
Total Trucks, U.S.	80,958	72,285	73,352	358,622	1,029,074	1,066,383

CANADIAN TRUCK	Week Ended April 11, 1987	Week Ended April 12, 1986	Week Ended April 4, 1987	March Total	Jan. 1 to April 12, 1986	Jan. 1 to April 11, 1987
AMERICAN MOTORS	625	973	640	2,832	3,905	8,502
CHRYSLER	8,494	8,794	8,602	39,771	127,555	119,382
FORD	3,648	3,650	3,037	14,508	50,949	43,968
GENERAL MOTORS	5,835	6,067	5,219	21,246	88,036	52,872
NAVISTAR	206	234	200	855	2,773	2,646
Total Trucks, Canada	18,808	19,718	17,698	79,212	273,218	227,370
N. American Trucks	99,766	92,003	91,050	437,834	1,302,292	1,293,753

☆ — Includes window van production. * — Estimated
AM General includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.

U.S. CAR	Week Ended April 11, 1987	Week Ended April 12, 1986	Week Ended April 4, 1987	March Total	Jan. 1 to April 12, 1986	Jan. 1 to April 11, 1987
AMERICAN MOTORS	775	2,010	785	2,578	14,553	9,412
Renault Total	775	2,010	785	2,578	14,553	9,412
Alliance	775	1,710	785	2,578	12,711	9,412
Encore	0	300	0	0	1,842	0
CHRYSLER MOTORS	19,600	28,866	21,961	98,648	423,113	336,998
Plymouth Total	4,800	7,387	5,746	29,462	116,361	117,976
Horizon	0	2,752	0	2,014	43,020	32,997
Sundance	1,800	0	2,431	10,606	0	31,429
Reliant	2,000	3,173	2,165	11,592	51,845	36,305
Caravelle	900	1,018	1,055	5,122	17,440	16,920
Gran Fury	100	444	95	126	4,256	325
Chrysler Total	8,000	10,221	8,480	35,849	151,862	93,838
Laser	0	901	0	0	16,598	0
LeBaron K	1,600	2,131	1,748	9,051	35,865	25,626
LeBaron J	2,900	0	2,738	9,172	0	25,093
LeBaron GTS	700	2,600	953	3,808	26,930	11,680
New Yorker/E-Class	1,800	1,479	1,880	9,428	30,362	25,350
Fifth Avenue	1,000	3,110	1,175	4,390	42,129	6,060
Dodge Total	6,800	11,258	7,726	33,337	154,870	125,162
Daytona	1,200	1,274	1,390	4,595	14,649	12,561
Omni	0	2,678	0	1,770	43,695	28,363
Shadow	2,000	0	2,450	9,018	0	28,774
Aries	2,200	2,543	2,133	10,362	38,074	32,323
Dodge 600	900	1,941	984	4,877	25,039	14,747
Lancer	400	1,767	564	2,421	24,570	7,911
Diplomat	100	1,055	205	294	8,843	503
FORD MOTOR	44,105	41,683	42,923	189,610	521,693	577,926
Ford Division	31,795	28,183	30,719	133,671	355,216	399,964
Escort	8,299	8,248	8,166	36,516	115,882	104,724
Mustang	4,594	4,194	5,267	21,335	57,801	62,832
Tempo	4,098	4,111	4,453	19,503	59,786	56,314
Taurus	9,966	8,151	9,381	41,722	71,659	133,594
Thunderbird	4,838	3,479	3,452	14,595	50,086	42,500
L-M Division	12,310	13,480	12,204	56,939	166,477	177,962
Mercury Total	8,210	9,200	8,104	37,956	112,247	125,888
Lynx	716	1,127	1,012	4,677	19,118	16,365
Capri	0	383	0	0	5,056	0
Topaz	1,367	1,319	1,073	4,693	18,821	16,796
Cougar	3,239	2,500	2,556	14,362	34,806	50,566
Sable	2,888	3,871	3,463	14,204	34,446	42,161
Lincoln Total	4,100	4,280	4,100	17,963	54,230	52,074
Continental	414	474	411	1,797	6,173	5,215
Lincoln	3,075	3,210	3,076	13,487	40,683	39,052
Mark VII	611	596	613	2,699	7,374	7,807
GENERAL MOTORS	80,061	94,642	83,562	381,096	1,329,072	1,101,661
Buick Total	9,715	16,113	12,787	57,504	212,811	176,868
Skyhawk	785	1,891	797	3,779	25,519	12,654
Century	3,356	5,675	4,549	19,278	70,793	56,797
Regal	0	1,410	975	4,251	13,111	12,261
Somerset/Skylark	1,690	2,383	0	5,981	28,235	22,703
LeSabre (fwd)	3,590	2,301	3,623	10,990	30,084	32,359
LeSabre/Electra (rwd)	295	300	173	1,361	4,866	3,865
Electra (fwd)	0	1,549	2,448	10,516	35,209	30,545
Riviera	0	604	222	1,048	5,851	5,704
Cadillac Total	5,370	6,796	6,507	32,147	88,949	94,821
Cimarron	50	636	252	1,952	7,501	5,665
Allante	120	0	100	269	0	760
Brougham (rwd)	1,200	1,929	1,282	8,985	23,974	25,089
DeVille (fwd)	4,000	3,095	3,984	17,630	46,533	51,263
Eldorado	0	561	446	1,718	6,177	4,636
Seville	0	573	441	1,593	4,764	7,426
Chevrolet Total	33,052	27,701	34,535	148,434	437,999	409,236
Chevette	0	2,394	0	0	35,966	0
Camaro	3,310	4,871	3,055	9,376	64,248	28,447
Cavalier	8,774	8,974	8,439	36,008	126,815	104,677
Celebrity	7,709	5,367	8,320	38,810	91,162	111,604
Corsica/Beretta	7,250	0	5,873	28,420	0	71,949
Monte Carlo	857	2,234	2,767	8,773	35,430	20,476
Chevrolet	4,512	3,990	5,450	24,241	76,672	63,485
Corvette	640	771	631	2,806	7,706	8,598
Oldsmobile Total	17,598	24,783	12,706	69,239	343,834	210,728
Firenza	655	1,322	496	1,363	16,188	2,520
Calais	2,850	2,116	0	8,071	41,932	31,650
Cutlass Ciera	3,740	4,968	3,616	15,901	84,523	54,816
Cutlass Supreme	3,075	4,731	2,529	8,994	59,990	18,025
88 (fwd)	4,039	8,557	3,373	22,908	90,352	63,418
88 (rwd)	490	340	414	1,592	6,932	5,413
Olds 98	2,240	2,307	1,904	9,156	39,565	26,231
Toronado	509	442	374	1,254	4,352	5,057
Pontiac Total	14,326	19,249	17,047	73,772	245,479	210,008
Acadian*	0	584	0	0	3,883	0
Fiero	0	2,268	0	4,697	24,867	9,996
1000	0	975	0	0	6,813	0
Firebird	2,140	2,820	2,176	7,612	34,375	23,053
2000 Sunbird	2,426	2,964	2,711	13,045	41,367	34,760
Grand Am	6,180	5,091	6,069	23,070	63,076	72,578
6000	0	3,077	2,551	10,043	45,212	23,383
Bonneville	3,150	0	3,050	13,891	0	42,391
Safari/Parisienne	450	1,672	490	1,414	25,866	3,847
HONDA	6,650	3,979	7,085	31,214	52,290	93,818
Civic	1,620	0	1,741	7,539	0	31,063
Accord	5,030	3,979	5,344	23,675	52,290	62,755
NISSAN	2,920	0	2,945	13,032	21,517	39,229
NUMMI	4,000	3,070	4,057	17,935	52,568	54,774
Corolla	750	0	806	3,718	0	11,151
Nova	3,250	3,070	3,251	14,217	52,568	43,623
VOLKSWAGEN	2,000	1,868	2,020	8,828	24,741	22,793
Golf/GTI	1,750	1,868	1,770	6,628	24,741	18,843
Jetta	250	0	250	2,200	0	3,950
Total Cars, U.S.	160,111	176,096	165,348	742,941	2,439,547	2,236,609
Total Cars, Canada	11,728	25,124	13,449	76,599	325,366	236,426
N. American Cars	171,839	201,222	178,797	819,540	2,764,913	2,473,035
N. American Trucks	99,766	92,003	91,050	437,834	1,302,292	1,293,753
North American Cars and Trucks	271,605	293,225	269,847	1,257,374	4,067,205	3,766,788

All figures are built for sale in Canada.

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Automotive News

April 20, 1987

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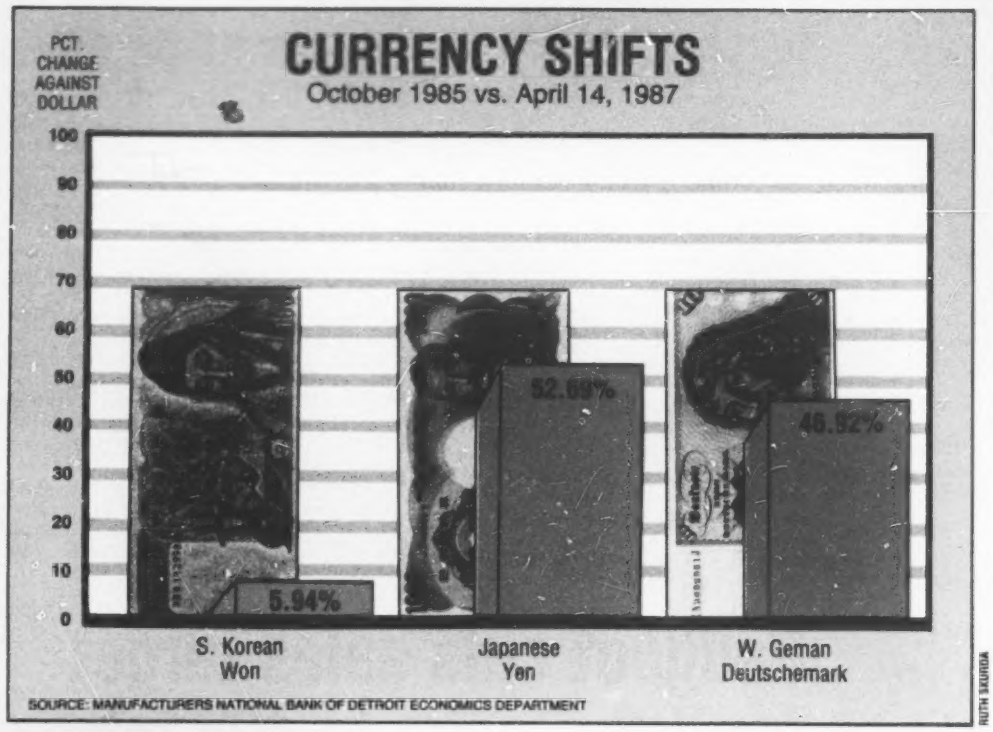

RUTH SUZUKA

SQUEEZE: *Currency fluctuations create headache as GM tries to set price for LeMans*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — When General Motors formally announces the price of its South Korean-built Pontiac LeMans to dealers later this month, it will be the culmination of a long debate over one of the most critical components in a world car today — currency.

The GM car — its base and many of its parts coming from West Germany, its assembly taking place in South Korea, and its marketing being strongly aimed at the United States — is a hot potato ensnarled in the machinations of currency values involving each of those countries.

And between the time the car was conceived to revive the LeMans name almost three years ago and now, the cost of some of its most expensive components have risen with the West German deutschemark — increases affecting the costs of GM's South Korean partner, Daewoo Motor Co. In the process, the South Korean won has stayed about equal with the U.S. dollar — spurring a trans-Pacific debate over who will bear the burden of the increased costs and how much GM will pay Daewoo for the car.

And those GM negotiations are similar to talks going on between every auto manufacturer with a Third World partner that buys components from Europe and Japan.

In the GM-Daewoo case, Daewoo is building the LeMans, a front-wheel-drive subcompact that debuts in the United States in June. The car was engineered by GM's West German subsidiary, Adam Opel AG, and is built off the Opel Kadett platform.

The discussions between GM and Daewoo centered on the drastic fluctuations in world currencies that have occurred since the idea for the car was conceived three years ago, sources said.

In the past 18 months, the West German mark has risen 47 percent against the U.S. dollar and nearly as much against the Korean won, which follows the path of the U.S. dollar.

Some components for the LeMans come from Opel in West Germany. They now cost Daewoo more than they did 18 months ago and certainly more than three years ago when the plan was conceived.

GM and Daewoo have struck a deal on the price. That price will not change the retail price of the car, which is to be announced later this month, said Pontiac General Manager J. Michael Losh.

see SQUEEZE, page 57

GM revises bonus setup for top execs

By Michelle Krebs, Mary Connelly and Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Against the backdrop of another year of million-dollar-plus compensation packages for Big Three top executives, General Motors said it wants to virtually eliminate cash bonuses and modify its stock incentive plans.

But while GM's bonus plan announcement was the major news — even though its top 600 executives could continue to receive cash bonuses after the change — the common thread in 1987 proxy statements released by GM, Ford and Chrysler was high executive compensation.

Chrysler Chairman Lee A. Iacocca led the pack with salary, bonus, stock grants and exercised stock options topping $20.57 million, followed by Ford Chairman Donald E. Petersen ($4.33 million), Ford President Harold A. Poling ($2.88 million), Chrysler Motors Chairman Gerald Greenwald ($2.71 million), Ford Executive Vice President Louis R. Ross ($2.50 million), Chrysler Motors President Harold K. Sperlich ($2.30 million), and GM Chairman Roger B. Smith ($1.73 million).

The newly proposed GM compensation plan would eliminate most cash bonuses and replace them with stock options and stock grants, which would be more closely tied to the company's performance.

But the top 600 executives would continue to receive cash bonuses under GM's long-term bonus plan called the Performance Achievement Plan. Over the five-year period, the plan could pay out as much as $60 million in either cash or stock.

Smith said the change is a "major step in our strategic redirection to maximize profitability and more closely relate incentive compensation with the enhancement of stockholder value."

Last month, GM announced it would buy back as much as 20 percent of its stock by 1990 to increase the value of shares outstanding. The move would cost GM about $5 billion. The elimination of cash bonuses ends a nearly 70-year-old tradition, a tradition that has been criticized by labor leaders, stockholders and consumer advocates.

In the process, GM increases stockholder value and limits its exposure to a hostile takeover. The new plan sets common goals for GM managers and stockholders, since managers stand to do better if the stock performs well.

Under the previous stock incentive plan, only the top 850 to 900 executives were eligible for stock options. The new plan includes the approximately 5,000 executives who, under the old compensation plan, were eligible for cash bonuses.

The old plan allowed up to 7.5 million shares to be distributed as stock options over five years. The new plan would allow up to 25 million shares of GM common stock and 5 million shares each of Class E (Electronic Data Systems) and Class H (GM Hughes Electronics) stock to be added to the stock incentive program.

see PROXIES, page 59

Dissenters make headway at UAW bargaining parley

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

CHICAGO — Victor Reuther has been attending UAW conventions as long as there's been a UAW. But the brother of Walter Reuther — the late UAW president — said last week's bargaining convention was different.

A legendary presence in the labor movement, Victor Reuther said that in his trips across the country he has seen "more anger and frustration in the rank and file than in the past 20 years," but that there was "no real vehicle for its expression at the convention."

Other observers and delegates at the UAW convention here last week said that the international leadership seemed unnecessarily defensive. They said President Owen Bieber fought changes in procedure, apparently fearing delegates would take the occasion to vent their discontent.

Many in the rank and file say that concessionary contracts since 1982 have not prevented plant closings and job loss. In recent months, they have expressed dismay over "whipsawing," or General Motors'

see UAW, page 58

MICHAEL A. MARCOTTE
UAW President Bieber fought changes in convention procedure

Big 3 profits expected to top '86 for quarter

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

The Big Three automakers are expected to report combined first-quarter profits of about $2.21 billion, about 3 percent more than they earned in 1986's first quarter.

Higher profits for Ford Motor Co. are expected to offset declines for General Motors and Chrysler Corp.

GM and American Motors are scheduled to announce first-quarter results this week; Ford and

see PROFITS, page 59

Subaru offers rebates to car buyers — Page 2
Chrysler plans to boost truck capacity — Page 3
Nissan U.S. plant to post first profit — Page 6

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Warranty scam hits Pontiac

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

General Motors has been hit with another warranty payment scam, resulting in an internal investigation and a federal probe.

Dealers familiar with the situation last week said most of the illegal activity was located in Pontiac's Chicago and Boston zones.

A Pontiac spokesperson last week confirmed that there have been "isolated incidences" of warranty fraud within its organization.

"We are conducting an internal investigation, and we are cooperating with federal authorities," the spokesperson said.

"Several employees have been dismissed."

One prominent GM dealer who asked not to be identified said he believes the Chicago zone situation was limited to a single individual.

"Somebody's misapplying funds," said the dealer, who also confirmed that GM auditors have been visiting various dealerships, "looking for checks and signatures and stuff."

He said he believes that most of the misapplication of funds happened in the East, but that dollar amounts involved were comparatively small — perhaps less than $10,000 — because the fraud was uncovered early.

In the mid 1970s, several Chevrolet zones, particularly Boston, were hit with organized warranty fraud stemming from submission of phony warranty claims by dealers.

In 1974 a Chevrolet regional service manager was murdered. He had been investigating the fraud that came to be known at the time as "Motorgate."

One dealer alone was believed to have bilked GM out of more than $600,000.

That dealer and several of his employes subsequently were convicted of fraud in Massachusetts state courts.

Last Friday, J. Michael Losh, Pontiac general manager, downplayed the current warranty fraud. He termed it "old news." Losh said Pontiac "closed the books on it months ago," and said the ongoing dealership service department audits are routine.

VW tags Fox 2-door wagon at $6,590; Brazilian-built model on sale in May

NEW YORK — Volkswagen of America chose this week's auto show here to introduce the station wagon version of its Brazilian-built Fox. VW said that at a suggested retail of $6,590, it is the only wagon under $7,000 available in the United States.

The wagon, which goes on sale late next month, rounds out the Fox line of two-door and four-door sedans introduced earlier this year. VWoA believes it will be the only two-door wagon sold in the United States.

The car has a 1.8-liter fuel-injected engine that produces 81 horsepower. A top speed of 101 mph is claimed.

The Fox is made by Volkswagen do Brasil at its plant near Sao Paulo. The Fox models are VW's entry-level cars in the United States. The two-door sedan is $5,690, and the four-door sedan is $6,490.

Chrysler plans to boost truck capacity

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors still plans to expand its truck production capacity, despite previously reported plans to continue building cars at the Jefferson Avenue plant in Detroit through the 1988 — and, possibly, the 1991 — model year.

The Detroit plant had been expected to produce trucks between 1988 and 1991 but that plan was shelved, according to company sources. Production of K- and E-body cars will continue at the plant (Automotive News, April 13).

"Under any scenario that we looked at, we will significantly expand our truck capacity over the next five years," said Jerome B. York, vice president — Truck Operations.

York said that Chrysler had 13.3 percent of the truck market through the first quarter of 1987 with about a 60 percent to 65 percent product coverage of market segments.

The company is aiming at approximately 93 percent product coverage of the market and 20 percent market penetration by the 1992 model year under its $2.2 billion truck-development program.

Assuming that Chrysler is successful in its acquisition of American Motors, it would achieve its market-penetration goal earlier.

"Whereas we had been talking about getting 20 percent penetration by the early 1990s, we would get there by the late 1980s," York said.

Chrysler's goal of a 20 percent market share is based on a truck market of five million units.

Jeep had about 4.2 percent of the truck market in the first quarter. Assuming the acquisition, Chrysler would have an immediate share of 17.5 percent.

At any rate, "We still need more capacity," York said.

Chrysler currently has capacity to build about 400,000 minivans at its St. Louis and Windsor, Ontario, plants; 270,000 trucks at the Dodge City plant in Warren, Mich.; 130,000 in the Pillete Road plant in Windsor; and 25,000 Ramchargers in Mexico.

Even without the Jefferson Avenue plant, Chrysler could pick up — assuming its acquisition of AMC goes through — about 80,000 units worth of extra truck capacity at AMC's Brampton, Ontario, and Toledo, Ohio, plants.

Brampton builds the Jeep Wrangler and Toledo assembles the Jeep Cherokee/Wagoneer and Grand Wagoneer.

"There are any number of (plant) loading configurations, and we're continually assessing these," York said. "Yes, there are ways to generate the capacity we need without using Jefferson Avenue."

High-volume vehicles are getting priority attention. They include the new line of full-sized pickups planned for 1990-91, a new small sport/utility truck and the extended-cab version of the Dakota pickup.

Chrysler Motors currently isn't using its 800,000-unit capacity and likely won't until its new extended-cab Dakota pickup arrives on the market in the fall of 1988.

Extended-cab models currently account for about 25 percent of the industry's small-truck sales.

York confirmed reports of a new Chrysler-built V-6 "on the drawing board and in test cells" for future minivans and passenger cars, and the expanded availability of fuel-injection engines for trucks. The current V-6 engine is built by Mitsubishi.

Chrysler also plans to offer rear anti-lock brakes on some pickups, similar to Ford and Chevrolet. The system will be phased in over a three-year period.

Dodge-Plymouth minivans pick up; Chrysler-badged version scrapped

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors officials believe the drop in Caravan/Voyager sales earlier this year was largely attributable to the introduction of a new engine, which hurt sales of four-cylinder models already on the market.

The inventory problem for the minivan, however, appears to have been pretty well resolved.

"We've had significant dealer input that the (sales) hiccup on Caravan/Voyager in January and February resulted largely from people who had heard or seen that a V-6 was coming and preferred to wait for the larger engine," said Jerome B. York, vice president — Truck Operations, Chrysler Motors.

In another development, the company apparently decided that Chrysler dealers won't get a Town and Country version of the minivan. The idea for an upscale Chrysler-badged minivan was shelved after protests from Dodge dealers and because, at the time of the decision, Plymouth and Dodge minivan sales were very strong.

However, Chrysler's minivan sales were off 22.4 percent during the first two months of this year. In March, sales of minivans were off only 3.2 percent.

York said the current inventory mix of minivans with four- and six-cylinder engines is "reasonably well-balanced. Our days' supply of minivans and wagons is about 44 days."

He denied that the 72-month financing program on Caravan/Voyager was a "short-term fix" for slower sales, adding that Chrysler Financial was trying to attract more business rather than solve a problem.

Some dealers expressed apprehension about 72-month financing because it takes a customer out of the market for too long. And, given the depreciation rate, it can often leave a customer owing more on the vehicle than it can fetch on the market.

"Based on my own feeling and the results we've seen, there's not a huge amount of business to be had" in six-year finance contracts, York said. "If we offered a spectrum of (different length) contracts, (six-year financing) would end up being in the 5- to 6-percent range."

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61st year—No. 5176

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GM wins X-car lawsuit; no recall necessary

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors need not recall the remaining 1980 X-cars; U.S. District Judge Thomas Penfield Jackson decided there was no brake defect.

The sweeping decision accepted every argument made by the company. It rejected all government testimony, along with the theory under which the case was brought.

The decision delighted GM and all other auto companies. But it is at odds with previous decisions of federal court judges and appellate rulings.

NHTSA will have to decide whether it wants to spend more time litigating a case in which cars are approaching the eight-year statutory limitation. It must decide whether to appeal in order to recover ground which it thought was secure as a result of court rulings in earlier defect cases.

Still to be litigated is one count of the government's August 1983 suit: that in 27 instances, GM "made false statements" to the government and should be fined $1,000 for each instance. The other proposed fine — $4 million — depended upon GM being found guilty of five other counts, all of which Jackson dismissed.

There is at least one X-car class action pending against GM. There is also an X-car litigation group, described as a consortium of plaintiffs' attorneys with a steering committee headed by Guerry R. Thornton, of Atlanta.

GM X-cars are the Chevrolet Citation, Pontiac Phoenix, Oldsmobile Omega and Buick Skylark. Pontiac and Olds dropped the X-cars at the end of the 1984 model year. Chevy and Buick followed a year later. Altogether, some 3.3 million X-cars were produced.

GM introduced the X-cars in April 1979. It almost immediately made a number of voluntary recalls, including two influenced by NHTSA's brake investigation. One involved the proportioning valve in 47,000 manual-transmission X-cars; the other involved premature wheel skidding in 240,000 vehicles. NHTSA termed both recalls inadequate.

GM Chairman Roger B. Smith said he was "gratified" by Jackson's decision. He hailed it as good news for stockholders because it "reaffirms the quality" of GM products. He added that "real world experience based on actual accident data continues to show" the X-cars have "one of the best safety records for cars of that size on the road today."

NHTSA head Diane Steed was disappointed. She said her agency has not yet decided whether to appeal. NHTSA said the 1980 X-car population was 1,570,959. The agency had received 4,282 consumer complaints and 1,417 accident reports. Of those reports, 974 involved property damage and 427 involved occupant injuries. There were 18 deaths reported in in 16 accidents.

NHTSA still has active engineering analyses in its defect investigation roster. They involve power steering in all X-cars produced; rear brake lockup in 1981-85 X-cars (the defect alleged in the court case on 1980 X-cars); and

see X-CAR, page 57

March truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	83,283						83,283	46,102
	YR	150,314						150,314	129,115
JEEP	MO	15,873						15,873	13,806
	YR	46,896						46,896	47,166
TOYOTA	MO	28,046						28,046	34,745
	YR	86,886						86,886	80,153
NISSAN	MO	21,320						21,320	22,382
	YR	56,128						56,128	52,786
MAZDA	MO	10,915						10,915	11,971
	YR	27,631						27,631	30,312
ISUZU	MO	8,589						8,589	8,605
	YR	21,673						21,673	21,072
MITSUBISHI	MO	3,800						3,800	2,526
	YR	11,126						11,126	6,520
SUZUKI	MO	8,267						8,267	3,706
	YR	20,601						20,601	9,312
SUBARU	MO	219						219	271
	YR	697						697	731
RANGE ROVER	MO	79						79	0
	YR	79						79	0
FORD	MO	132,126			931	2,629	1,081	136,767	111,066
	YR	320,881			2,531	6,478	2,571	332,461	305,781
FREIGHTLINER	MO						1,890	1,890	1,525
	YR						4,667	4,667	3,960
CHEVROLET	MO	106,336		25	691	637	37	107,726	102,059
	YR	262,442		46	1,799	1,718	95	266,100	287,944
GMC	MO	28,000		865	654	2,137	730	32,386	28,984
	YR	69,315		2,401	1,330	5,874	2,116	81,036	81,924
KENWORTH	MO						1,064	1,064	934
	YR						3,034	3,034	2,161
MACK	MO				248	393	1,646	2,197	1,614
	YR				722	776	3,669	5,167	4,796
MERCEDES	MO				137	178		315	261
	YR				382	534		916	924
NAVISTAR	MO		8	31	1,041	2,580	2,617	6,277	5,401
	YR		9	68	2,382	7,093	6,698	16,250	15,534
*PETERBILT	MO						850	850	851
	YR						2,023	2,023	2,075
VOLVO	MO					115	826	941	1,033
	YR					352	2,256	2,608	2,711
HINO	MO			60	70	64		194	0
	YR			106	129	225		460	0
NISSAN DIESEL	MO			30	24	74		128	0
	YR			94	87	195		376	0
ISUZU TRUCK	MO	374		8	22			404	0
	YR	1,028		22	46			1,096	0
MITSUBISHI FUSO	MO	50			12	41		103	0
	YR	67			25	71		163	0
SCANIA	MO						16	16	0
	YR						46	46	0
IVECO TRUCKS	MO	183	36	73	16			208	235
	YR	314	119	126	24			583	503
OTHER DOMESTICS	MO						110	110	99
	YR				11		230	241	279
GRAND TOTAL	MO	427,440	44	1,092	3,846	6,758	10,867	452,047	401,176
	YR	1,056,278	128	2,863	9,468	23,316	27,405	1,119,458	1,095,779
1986 YR to DATE		1,035,712	0	1,111	9,798	23,329	25,829	1,095,779	

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.

Big-truck dealer total dips, but profits rise

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DALLAS — The ranks of Class 6-7-8 truck dealers are thinning, but the profitability of the survivors is picking up.

Meanwhile, the strong dealer turnout at the American Truck Dealers convention here — and particularly at key management seminars — indicates dealers' growing interest in developing more sophisticated financial control of their operations.

The ATD show itself drew a near-record 1,581 attendees, second only to last year's turnout of 1,621. Officials said the show would have set a record had it not been for the limits imposed by available exhibit space and exhibitors.

Lawrence M. O'Connor, truck dealership management consultant for the National Automobile Dealers Association, and Robert G. Young, NADA manager of the ATD 20 Group Program, attributed dealer attrition to the high costs of doing business and lack of gross profits in the medium/heavy truck market, economic factors like the depression in oil and agriculture and the franchise consolidations like those at General Motors/Volvo White.

ATD's Class 6-7-8 dealer membership dropped from 1,828 in February 1986, to 1,744 in February 1987.

Currently, the decline appears to be leveling off, but ATD officials see a continued long-term contraction in the medium/heavy truck dealer body.

They estimate there are about 2,400 to 2,500 such dealers today, which is fewer than the 3,000 estimated by Freightliner President Peter E. Rupp in his address to this year's ATD convention.

They agreed, though, with Rupp's general prediction of another 20 percent decline in the number of dealers during the next five years.

Surviving dealers, however, appear to have reconciled themselves to market conditions and are learning to make money on less volume.

"Larry (O'Connor) and I are very encouraged by that," Young said. "We think the dealers have finally recognized that this thing is not going to turn around in 30 days. And they have begun to manage better what is available to them — their assets and expenses. They're just becoming a lot better businessmen."

NADA officials feel that the Class 6-7-8 market will continue to stay in the 250,000-260,000-unit range during the next 10 years — about the same level as 1986 — and they have been stressing asset management as the way to make money in that kind of market.

Added O'Connor, "We're not telling the dealers to sell, sell, sell. We're telling them to manage, manage, manage. It's not just go out and sell at any expense any more. It's manage the business properly."

And improving profits reflect that change in philosophy.

Although more dealers lost money during a six-month period last year, winners are earning more money now and losers are losing less, Young said.

Each month, ATD tracks a fairly wide cross section of dealers in what it calls a critical variables analysis.

That analysis shows that while 54 percent of medium/heavy truck dealers were losing money selling new and used trucks in April 1986, 58 percent were losing money selling such trucks in November 1986.

However, the average (of winners and losers) shows the typical dealer losing $3,100 in May 1986 on his new- and used-truck sales and earning $475 a month profit by November 1986.

"The ones who were losing have reduced their losses significantly," Young said. "They've adopted a more realistic approach to trades. And a lot of dealers have bitten the bullet on (carrying) expensive inventories."

Dealers are also making incremental changes in asset management to improve their profitability.

"That's where we see the trend changing, especially in our 20 Group programs. In the last year, specifically, we have been focusing on that at each meeting," Young added.

"We've been telling the dealer 20 Groups that they have to take charge of their dealerships, that the dealer has to be hands-on involved in the fixed-cost part of his operation, in parts and service and so forth. It's quite a bit different from the car side in many regards," he concluded.

Kenworth speed-control system designed to boost fuel economy

KIRKLAND, Wash. — Kenworth Truck Co. introduced a new electronic road speed control system that is designed to help vehicle owners attain better economy.

Called the Kenworth Engine Governing System (KEGS), it limits vehicle speed at a lower transmission gear than traditional governors and encourages progressive upshifting.

Kenworth said KEGS is designed to give drivers the full use of the engine's total operating range during most of the acceleration process, while optimizing fuel economy.

The system allows the vehicle owner to set two speed values. He selects the highest speed he wants his vehicle to travel in top gear, usually between 60 and 65 mph. Then, he chooses the highest speed allowable in any other gear. That "intermediate" speed typically ranges between 54 and 59 mph.

When the vehicle is in operation, KEGS senses speed via electronic impulses generated in the driveshaft.

The trigger mechanism for the system tells the engine which road speed governor to use, intermediate or maximum, based on actual road speed.

When the engine speed is faster than the road speed governor's setting and the vehicle speed exceeds the intermediate speed, engine speed is trimmed back, overriding the driver's throttle control.

KEGS is currently offered on all Kenworth trucks specified with Cummins L10 or NTC engines.

Durakon to sponsor truck-and-tractor-pull series

LAPEER, Mich. — Durakon Industries, a leading producer of pickup truck bed liners, signed an agreement with SRO/Pace Promotions Inc. to sponsor the 1987 United States Hot Rod Association's truck-and-tractor-pull series.

Durakon is contributing more than $200,000 to sponsor 40 truck-pull events in 30 cities this year, according to Mark Wayne, Durakon director of advertising and public relations. It sponsored the events on a limited basis in 1986.

Separately, it is also sponsoring a monster truck for the first time. It is called the "Duraliner Giant" and will appear at each truck-pull event.

— Joseph Bohn

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Renault tells Mack it is not for sale

HAGERSTOWN, Md. — Renault has told Mack Trucks it is not looking for a buyer for Renault's 41 percent share of Mack.

Walter Meck, Mack's executive vice president for finance, said speculation about an imminent sale is "completely false." Meck said he recently spoke with top officials of Renault "and they authorized me to say that that option is not under consideration. . . . They have no present or future plans to divest themselves of Mack."

Renault bought its 41 percent share in Mack from 1979 to 1983.

— The Associated Press

Correction

Import-car sales for March 1987 were incorrectly totaled in a table on Page 54 last week. The correct total is 247,966.

Revised Light-Truck March, Year-to-Date Sales

	March		Year-to-Date	
	1987	1986	1987	1986
Vans	17,940	16,387	42,067	40,374
Aerostar	13,916	11,954	34,192	28,354
Club Wagon	2,581	2,076	6,793	5,767
Ranger	31,530	22,529	76,838	67,094
Bronco	4,633	4,426	11,831	11,184
Bronco II	9,073	8,012	26,533	19,985
Pickups	52,253	40,403	122,627	120,539
Ford	**132,126**	**105,787**	**320,081**	**293,297**
Vans	9,578	11,399	22,533	28,784
Sportsvan	1,400	1,604	3,136	4,024
Astro	11,781	13,107	31,401	32,141
S-10	22,006	16,531	56,720	50,206
S-10 Blazer	12,465	14,046	35,989	35,407
El Camino	1,086	1,474	3,018	5,965
Blazer	2,864	3,606	7,018	9,597
Suburban	4,695	4,813	11,412	12,063
Pickups	40,461	33,707	91,195	105,000
Chevrolet	**106,336**	**100,289**	**262,442**	**283,187**
Vans	5,565	6,231	14,302	14,033
Ram Wagon	2,096	4,076	7,641	8,416
Voyager	10,436	10,941	22,799	27,666
Caravan	11,307	11,243	25,579	26,996
Mini Ram Van	1,255	1,576	3,199	3,941
Ram 50	6,880	6,158	17,411	18,451
Raider	1,448	0	3,762	0
Ramcharger	2,821	1,551	6,371	4,157
Dakota	9,331	0	23,630	0
Pickups	11,342	7,323	25,621	23,451
Chrysler	**63,283**	**49,102**	**150,314**	**129,115**
Vans	3,258	3,188	8,870	8,450
Safari	2,808	3,003	6,966	7,314
S-15	4,547	4,034	11,939	11,994
S-15 Jimmy	3,335	3,397	9,024	8,799
Jimmy	682	771	1,844	1,988
Caballero	122	191	384	760
Suburban	1,640	1,509	4,029	4,126
Pickups	11,029	8,638	24,396	26,933
P Model	432	309	1,509	945
W-4	149	98	354	249
GMC	**28,000**	**25,138**	**69,315**	**71,558**
Wrangler/CJ	2,355	1,991	6,318	9,480
Wagoneer	1,007	847	3,076	2,563
Cherokee	8,493	7,453	24,912	22,695
Grand Wagoneer	1,057	1,175	3,241	3,819
Comanche	2,689	2,232	8,958	8,231
J-10/J-20	72	106	391	378
Jeep	**15,673**	**13,806**	**46,896**	**47,166**
Toyota	28,046	34,745	66,886	90,153
Nissan	21,320	22,382	56,128	52,796
Mazda	10,915	11,971	27,831	30,312
Isuzu	8,589	8,605	21,673	21,072
Mitsubishi	3,800	2,526	11,126	6,520
Suzuki	8,267	3,706	20,601	9,312
Subaru	219	271	697	731
Range Rover	79	0	79	0
Imports	**81,235**	**84,208**	**206,821**	**210,896**
Industry Total	**426,863**	**372,328**	**1,054,969**	**1,035,299**

*Nissan includes domestically-built units in Tennessee.

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Execs, Bieber join hands

DETROIT — Chrysler Corp. Chairman Lee Iacocca and Ford Motor Co. Chairman Donald Petersen each co-signed a letter with UAW President Owen Bieber for publication in their companies' employee newspapers.

The letters ask employees to write their legislators urging them to support legislation that would reduce U.S. trade deficits with countries such as Japan that run large worldwide trade surpluses.

General Motors is not in favor of trade legislation.

Iacocca and Bieber blame the trade deficit for the loss of nearly three million U.S. industrial jobs since 1980. They say the job loss occurred despite record productivity and quality improvements — especially in the auto industry — and in spite of sacrifices by American workers to make products more competitive with those of the Far East.

Iacocca and Bieber rebut the charge that American workers don't care about their work and that American managers aren't effective. Rather, the letters say, the country needs a strong trade bill to resolve the deficit.

The Petersen-Bieber letter details how bilateral negotiations and currency realignment have not corrected the trade imbalance. The Ford and UAW chiefs also ask employees to support a strong trade bill "that sets goals and timetables" to redress the imbalance.

Chrysler Newark workers OK new talks

NEWARK, Del. — Members of UAW Local 1183 at Chrysler Motors' Newark, Del., assembly plant, in a second vote, agreed to reopen the local labor contract to ensure the plant's future.

UAW members voted 76 percent to 24 percent April 5 to authorize the local bargaining committee to negotiate a "modern operating agreement" at the plant. Chrysler said it must have a new agreement by June 19 to begin making a new line of A-body cars at Newark in late 1988.

The current local agreement expires in September 1988. In February, UAW members rejected Chrysler's request to negotiate a new pact. Following the first vote, a petition drive was launched in the plant seeking reconsideration.

A union membership vote on a new agreement will be held after a proposed pact is negotiated.

Chrysler employs 4,300 persons, including 3,800 hourly workers, at the Newark plant.

U.K., Italy take the lead in W. Europe car sales

By Richard Johnson

With West German new-car sales down over 15 percent in 1987 from the same period a year ago, the United Kingdom and Italy have edged into the top two positions among Western European countries.

Sales in West Germany soared to a record 2.83 million last year, nearly a million units ahead of second-place France. But volume dropped more than 27 percent in January. A strong showing in December was prompted by a Jan. 1 reduction in the tax write-off for cars equipped with catalytic converters.

West German sales were down only 3.5 percent in February and stood at 334,100 through the first two months, 15.8 percent below the country's 1986 pace.

The sales figures are based on industry estimates compiled by *Automotive News*.

NEW CAR SALES BY COUNTRY IN EUROPE

Country	2 mos., 1987	Percent Gain/Loss
United Kingdom	341,400	+ 4.3
Italy	340,300	+ 3.3
West Germany	334,100	−15.8
France	282,900	+ 4.0
Netherlands	125,600	+ 3.0
Spain	124,600	+77.0
Belgium-Luxembourg	75,100	−13.5
Sweden	40,000	+ 2.5
Switzerland	39,600	− 1.7
Austria	29,200	−10.5
Finland	26,900	+ 1.5
Norway	20,300	−35.3
Denmark	16,900	−37.1
Portugal	16,000	+22.7
Ireland	14,000	+ 1.8
Greece	7,000	−32.4
TOTAL	1,833,900	− 0.3

The United Kingdom, which finished fourth in 1986, is up 4.3 percent through February to 341,400 — the biggest increase among Western Europe's big four markets. Total sales improved 9.6 percent in February.

Ford, the market leader in the U.K., has raised its share to 27.2 percent from 26.3 at the same time last year. It has increased sales better than 8 percent to 92,900 so far in 1987.

Austin Rover, which saw its home market share slip to 15.8 percent last year, was at 17.2 percent through February on sales of 58,700. Rover volume in the U.K. was up 17 percent in February.

The Italian market was ahead 3.3 percent in January/February to 340,300. Excluding new-acquisition Alfa Romeo, Fiat boosted its dominant share at home to 54.5 percent compared to 52.7 percent at the same point last year. The stable Italian market gave Fiat Auto, without Alfa, the number one pan-European sales ranking through February over 1986 leader Volkswagen Group, which has been hurt by slumping West German sales.

New-car sales in France were up 4 percent in the first two months to 282,900. Volume improved over 15 percent in February alone.

The battle for French market leadership between Peugeot S.A. and Renault continues to run tight. Combined, Peugeot and Citroen held 33.3 percent of the market, compared to Renault's 31.1 percent.

The fastest-growing national market in Europe continues to be Spain. The sales rush, which began last summer, has continued unabated. The country set a record in 1986 at 687,600 and sales so far in 1987 are up 77 percent.

The biggest gains in Spain have been realized by third-place General Motors and fourth-place Ford. GM, which saw its Spanish volume climb 45 percent to over 100,000 last year, is ahead 131 percent in the first two months of 1987. Ford, which registered a 28 percent increase last year to 98,600, is up 116 percent through the first two months. ■

Nigerian auto industry hits the skids

Devalued currency, import incentives may force plant closings

By Baffour Ankomah

The current economic crunch that is squeezing life out of Nigeria's once-buoyant economy has seriously hurt the prospects of all of the nation's industries. Nigeria's car assemblers are among the hardest hit.

Nigeria's auto industry consists of eight assembly plants spread all over the country. The largest are Peugeot Automobile of Nigeria (PAN) based in Kaduna in the north, and Volkswagen of Nigeria Ltd (VWON) based in Lagos in the south.

In 1975, the country's leaders made an allowance in the Third National Development Plan (1975-'80) for a transportation program that would support agriculture, trade, industry — and facilitate movement of people and goods throughout the Federation. Nigeria has the highest population in Black Africa — 106 million people.

To attain these goals, in 1975 the government actively encouraged the establishment of joint-venture car assembly plants, hoping that in 10 years the foreign technical partners would transfer the technology to Nigerians to enable the country to manufacture its own cars and trucks.

There was even an agreement between the Nigerian government and VWON, which said the federal government would ban the import of fully built-up vehicles once VWON went into production. The ban was to give VWON and other assemblers a monopoly over the local market.

But, according to Pat Utomi, assistant general manager of VWON, the government has not kept its side of the agreement, including not paying its 40-percent share of the capital establishing VWON.

Nigerians assemble Beetles at VWON assembly plant.

It was also expected in 1975 that Nigeria's flat steel mill complex and petrol-chemical plant would be commissioned simultaneously with the car assembly plants, to support the automotive industry with locally produced inputs. Both the steel mills and the petrol-chemical plant have yet to materialize, pushing the car assemblers into the foreign market where they shop for almost every commodity associated with the auto industry.

In the days of the oil boom — the late 1970s and early 1980s, when Nigeria's currency was worth $2 — the assembly plants had no problems buying CKD parts from abroad because of a seemingly inexhaustible supply of foreign currency from the Central Bank of Nigeria.

Business was good. Demand for cars was high as the Nigerian public had more money to spend. Even civil servants, known to be the poorest group of workers in Africa, were given car loans by the government to purchase their own cars. Out of an estimated car population of 3.8 million for Black Africa, Nigerians own about 1.2 million. This is largely because of the patronage given the infant assembly plants in those days.

Even though they were producing below capacity, the Nigerian assemblers altogether produced 213,592 vehicles between 1982 and 1984 — instead of their total installed capacity of 608,620.

Now the days of the country's economic bliss are over. The assembly plants, starting under the restrictions of the government's austerity measures, have resorted to labor retrenchment and higher prices to keep afloat.

Local car prices have hit an all-time high. In 1981 a locally assembled Peugeot 505 GR (a favorite of Nigerians) sold for 6,691 naira, of the equivalent of $13,382 in those days.

With the introduction of the Second Tier Foreign Exchange Market (SFEM) last September, the naira is exchanging today for almost four to $1. The same 505 that brought 6,691 naira in 1981 is now selling for 60,085 naira, or $15,327 in 1987 at the SFEM rate.

In dollar terms, the price appears reasonable. But to the Nigerian earning naira, not dollars, the 505 is very expensive today.

The same goes for the ever-popular Volkswagen Beetle. In 1981 it sold for 4,395 naira, or $8,790 (at the pre-SFEM rate). In January this year the Beetle hit a record 29,141 naira or $7,433 at the SFEM rate. In February, VWON cut the price to 24,982 naira ($5,372 SFEM).

In real (dollar) terms, Nigeria's auto assemblers are losing. Yet they have come under severe criticisms of late from the press and the public for their high prices.

The problems for the assemblers is that with SFEM, the value of the naira has greatly depreciated. This greatly increases the prices of the components which are imported for Nigerian assembly.

Nigeria's auto industry is in the worst of times, and it appears to be on the verge of pulling up its roots. Last year, PAN and Leyland Nigeria Ltd. shut down temporarily for lack of imported cars kits. PAN reduced its workforce from 4,000 to 2,600, while VWON cut 1,000 workers. In all, the eight assembly plants fired 6,000 workers between July and November 1986, to prevent their accounts from going under a further load of red ink. In 1978, the eight plants had a labor force of 30,000. Today, it is down to 10,000.

Nigeria's auto production has slumped greatly, as demand for locally produced vehicles is down to another all-time low. The government's austerity measures have further hurt business.

For example, VWON's Santana — Nigeria's prestige car — carries 30-percent customs duty plus an excise duty of 5 percent on retail. The total duties imposed on the car is 11,147 naira, bringing its retail price now to 41,464 naira.

Government duty on locally assembled cars is a big disadvantage to Nigeria's auto plants. Daniel Lange, chief executive of PAN, said, "Either the government rescinds these measures, or we begin to get set to permanently close down."

Government measures have given imported built-up units an advantage. Their prices are lower because they are exempted from the 5-percent excise duty imposed on locally assembled cars. This, coupled with the destructive notion that everything produced in Nigeria is of inferior quality, has put the local automakers in trouble. As a result, the few Nigerians with money to buy cars are turning to imported, built-up cars whose prices are lower than locally assembled cars.

To stem this, the local auto plants have adopted an aggressive and massive advertising policy. It is designed to drive home the point that "to kill the infant local auto plants is tantamount to throwing away the baby with the bathwater," to quote Utomi of VWON.

The local assemblers say in their advertisments that the depreciation of the naira and the excessive government taxes are responsible for the high cost of their products.

VWON, for example, said in one ad in January that 40 percent of its costs represent cost and freight, 35 percent administrative overheads and 25 percent customs, excise and port duties.

The company warned in the ad that if the government did not stop the unhealthy competition posed by FBU imports "The local automotive industry will grind to a halt before the middle of 1987."

It added, "We can decide to please foreign exporters...and forget the many short and long-term benefits of the local motor industry to the economy." The company has invested 421 million naira ($107 million SFEM) in Nigeria.

Nobody seems to listen. Some newspapers have turned hostile. In February, one influential magazine said the assembly plants were "a waste."

With their backs to the wall, Nigeria's automakers now foresee a grim future. Many will fold soon if the governmental attitude and economic adversities do not improve quickly enough. ■

Australia braces itself for terrible sales year

By Pedr Davis

Battered by the effects of the currency changes and some government-imposed problems, the Australian motor industry appears to be going down for the last time in a river of red ink. It also faces its worst sales year in two decades.

The problems have been highlighted by the latest statement from Mitsubishi Australia, which said it lost almost A$20 million ($14.5 million U.S.) in 1986, despite lifting its market share to a record 13.2 percent of passenger car sales.

Unhappily, three of the five firms committed to local manufacture lost money last year. It's likely a fourth will be deeply in the red this year as well.

GM-Holden's gained 20 percent of the passenger-car market — and lost an estimated A$100 million ($72.5 million U.S.). This is its fifth consecutive loss.

Nissan took 7.3 percent of the passenger-car market — and lost the equivalent of nearly A$16 million. It was also Nissan's fifth consecutive year of loss-making.

The two profit-makers have been Ford with 30.8 percent of the passenger-car market and Toyota with 14.9 percent.

However, Ford's profit fell from A$103.5 million 1985 to about A$20 million ($16.5 million U.S.) last year. AMI-Toyota has had three profitable years in a row, but the 1986 figure of A$4.3 million was half that of the previous year. It was losing money by the end of 1986.

Apart from Ford and Toyota, the industry has lost vast sums since 1980. Holden's total losses are now the equivalent of about A$450 million. Nissan's losses are close to A$60 million, and Mitsubishi's are about A$18 million.

Mitsubishi said its losses were caused by the impact of currency changes and the effect of other economic problems.

The entire industry is reeling from the blow of new government taxes. One is a fringe benefit tax, which makes an employer pay a special tax on any company car used by employees outside business hours.

A so-called luxury tax (raising sales tax from 20 to 30 percent) has also been added for all cars costing over A$30,000 — even 4wd wagons. This has dampened luxury-car sales.

Overall, the total 1986 car market was down by 23 percent compared with 1985. Up to the beginning of this month, sales figures were down by 24 percent compared with the same months in 1986. If the present slump continues, the industry will see its worst sales tally in 20 years.

The commercial-vehicle market has been hit even more severely than the passenger-car market, with sales down by 43 percent compared to the same period last year. ■

Bad times ahead for Europe's OE truck-component makers?

Over the next five to 10 years, survival will be in question for many of the hundreds of independent truck-component manufacturers in Europe. That's one of the general conclusions in a new report by Frost & Sullivan Inc., international market-research firm.

The report says truck output in Western Europe is expected to rise modestly over the next five years, with a dip in 1987-'88 because of a downturn in the replacement cycle.

The forecast for the original-equipment market reflects the anticipated modest growth in truck output.

The total value of component consumption by truck manufacturers in 1985 was an estimated $4.26 billion. The report predicts it will rise by 1991 — after a dip in 1988 — to around $4.6 billion in constant 1985 dollars.

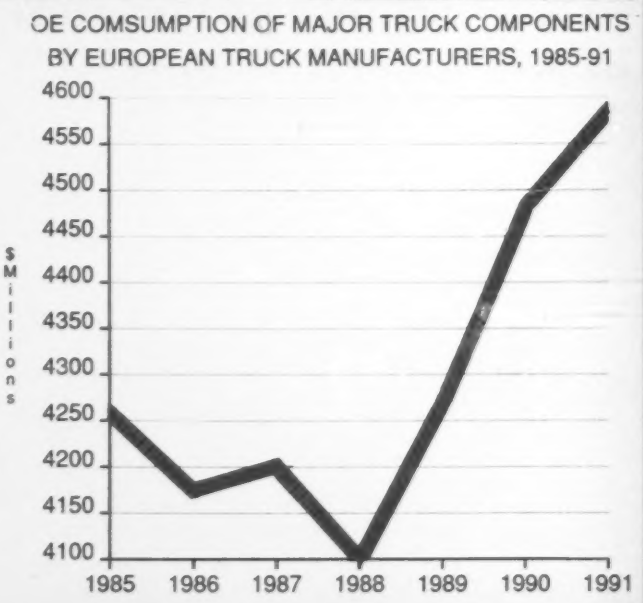
According to the report, this less-than-robust growth reflects problems in the European truck industry including: collapse of OPEC-country markets because of the drop in oil prices; slack demand in Europe; and overcapacity in Europe because of slack demand.

Because the European truck industry today can produce at least one-third more trucks than it can sell, the report predicts the number of truck "names" will decrease in the next few years.

Also forecast is a decline in the number of independent OE suppliers. Especially vulnerable are smaller companies, which can least withstand the pressure to achieve greater economies of scale through longer production runs, while at the same time being under pressure to improve the quality and sophistication of the components they make.

Among strategies for survival suggested in the report are: the development of products that are near-unique technologically; manufacturing several component types rather than just one; and forming "subassembly operations" to sell complete units to truck manufacturers.

In the components market, the report points out, there is still a strong emphasis on improvements to reduce vehicle fuel consumption through down-weighting and friction reduction, as well as on greater comfort and ease of handling. ■



WORLD NEWS BRIEFS

London hails new taxi

The fiberglass-bodied Metrocab, London's first new taxi design in more than 25 years, has been launched by Birmingham, England-based Metro-Cammell-Weymann Ltd.

The new cab is powered by a Ford 2.5-liter, direct-injection diesel engine used on the Ford Transit van. Ford is as also supplying specially adapted A4LD four-speed automatic transmissions with overdrive and lock-up torque converter. The adaption work was carried out by transmission specialist ATP of Staffordshire in consultation with Ford engineers.

MCW says its plant can supply up to half the 2,500 replacement London taxis purchased each year. The company also plans to offer the Metrocab throughout the rest of Britain, and has reported interest from taxi companies and owner-drivers in the Netherlands, Australia and Hong Kong.

Jaguar engineering center

The first phase of Jaguar's new $70-million engineering center in the Coventry, England, suburb of Whitley has been completed. Phase one includes styling buildings, which have now become fully operational.

The entire center will be completed late this year and will accommodate all of Jaguar's product engineering functions — including computer-aided design, drawing offices, engineering workshops, styling studios and administrative offices.

AR gets van contract

Austin Rover has won a major contract for the supply of Maestro City vans to British Telecom. The deal — Austin Rover's biggest van order ever from a single customer — could be worth more than $42 million at showroom prices.

The first batch of 1,200 vehicles will be delivered between April and September. Eventually, the communications giant could take up to 11,900 Maestro vans over an 18-month period. In addition, British Telecom is taking 400 Metro vans at a value of $2.5 million.

Agreement springs up

NHK Spring Co. Ltd., Yokohama, Japan, and Associated Spring, a unit of Barnes Group Inc., Bristol, Conn., are negotiating a valve-spring manufacturing technology licensing agreement.

According to William F. Fenoglio, Barnes Group president and chief operating officer: "They are leaders in their hemisphere, as we are in ours. We'll share manufacturing technology to produce the highest-quality valve springs anywhere in the world."

It's no blarney

Du Pont Co. is building facilities in Northern Ireland, which are expected to begin production of Kevlar aramid fibers early in 1988. Kevlar's uses include application in advanced-composite materials and as a replacement for asbestos in brakes, clutch facings, gaskets and plastics.

In 1985, Du Pont and Toray Industries established a joint venture to market Kevlar in Japan, with plans to provide production facilities there as the market for the fiber develops.

Mazda's painting robots

A motor-driven robot for painting vehicles, which can automate all stages of the painting process, has been developed by Mazda Motor Corp.

The design of the robot, according to Mazda, also eliminates the danger of spark emission, which can ignite volatile paint.

Mazda developed the painting robot jointly with Tokico Ltd., Kawasaki, Japan, a manufacturer of automobile components such as brakes, shock absorbers and hydraulic equipment. Tokico currently is supplying hydraulic robots for Mazda's new plant in Flat Rock, Mich.

Humans are still required for finish painting, which requires evenness of surface, according to Mazda.

Mazda said various types of the new robots for painting car bodies and other components will be introduced over the next few years. The motor-driven robot will be used in the Flat Rock plant when it starts production this fall.

Japan sets standards

The Japanese government has set aside funds in its official 1987 draft budget to establish, along with private organizations, a new research center for the "promotion of international harmonization of motor vehicle standards."

The Ministry of Transport has been working recently to standardize safety and pollution controls for imported vehicles. The Japanese government is involved in the Group of Experts on the Construction of Vehicles of the United Nations' Economic Commission for Europe (ECE. WP29). In line with these efforts, the ministry also sponsored an international symposium in Tokyo last December.

The new center will assist these activities with annual working expenses of about 150 million yen. Plans include an automobile regulations expert stationed in Geneva, Switzerland, to work closely with certain international organizations.

New-car sales in Norway

	Feb. 1987	Feb. 1986
Alfa Romeo	15	19
Audi/VW	1,258	1,797
BMW	189	478
Daihatsu	49	176
Dodge	6	0
Fiat	265	478
Ford	1,380	2,076
Honda	263	424
Isuzu	7	3
Jaguar	4	3
Lada	136	272
Lancia	30	22
Mazda	588	1,493
Mercedes-Benz	213	315
Mitsubishi	381	634
Nissan	487	867
Opel	1,138	2,241
Peugeot SA	528	814
Porsche	2	2
Renault	100	70
Saab	143	375
Skoda	27	16
Subaru	254	309
Suzuki	62	58
Toyota	1,384	1,542
Volvo	873	1,430
Total	9,799	15,930
Jan. & Feb.	19,831	31,686

Mitsubishi shows a string of 4s

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Mitsubishi Motors Corp. has unveiled its new automobile steering system that integrates four-wheel drive, four-wheel steering and four-wheel independent suspension.

The integrated system, said to be the first of its kind, offers the driver greater vehicle stability and maneuverability under various road conditions, according to Mitsubishi.

It will be featured on the company's next generation of vehicles.

The improved fulltime 4wd, with an anti-lock braking system, features a combined center differential and viscous coupling unit in the transmission. This automatically regulates wheel spin and ensures equal distribution of traction to front and rear wheels, according to Mitsubishi.

The four-wheel steering system incorporates a hydraulically controlled rear-steering mechanism with a joint on the trailing arm of the newly developed four-wheel independent suspension system, an official said.

The function of the four-wheel steering is to make the rear wheels steer in the same direction as the front wheels at middle and high speeds (over 31 mph).

The system is operated by the hydraulic power cylinder that, according to Mitsubishi, is actuated by the oil pressure supplied to the rear-wheel oil pump. It is regulated by a control valve that is opened and closed by the front-wheel power steering oil pressure.

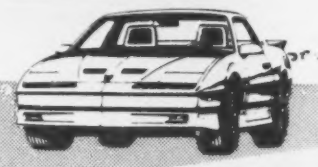
The rear-wheel oil pump supplies the oil in accordance with the revolutions of the rear wheels. Thus, according to Mitsubishi, the rear-wheel steering angle is controlled in proportion to vehicle speeds over 31 mph. Having the rear-wheel steering angle in proportion to the front steering effort can be obtained by means of the power steering oil pressure control valve.

Because steering effort is also determined by road conditions — the side forces generated on the front wheels change in accordance with road conditions — the rear-wheel steering angle becomes greater on dry roads to improve handling and stability, Mitsubishi said.

The rear-wheel steering angle becomes smaller on wet and snowy roads to enable the vehicle to turn more easily, the company said.

Steering response and safety are improved at speeds over 31 mph, while smooth maneuverability at low speeds is maintained, Mitsubishi said.

What's Hot



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DOMESTIC SALES

	Apr. 1-10, 1987	Apr. 1-10, 1986
Renault		
Alliance-Encore	570†	1,350†
AMC	145†	250†
American Motors	715	1,600
Chrysler	8,147	10,862
Plymouth	8,643	8,337
Dodge	10,111	11,312
Chrysler Motors	26,901	30,511
Ford	39,259	40,100
Mercury	13,270	14,652
Lincoln	4,974	4,221
Ford Motor Co.	57,503	58,973
Buick	14,156	20,017
Cadillac	6,324	9,363
Chevrolet	41,544	45,743
Oldsmobile	17,492	29,217
Pontiac	19,276	25,166
General Motors	98,792	129,506
Volkswagen	1,100	1,868
Honda	4,793	3,028
Nissan	2,637	1,818
Toyota	808	0
U.S. Industry Total	193,139	227,304

†—Estimate

U.S.-car sales plunge 15% in early April

By Roger Rowand
AUTMOTIVE NEWS STAFF REPORTER

Cash rebates, cut-rate options, finance-rate reductions and a dash of spring weather failed to do the trick for domestic cars in early April.

The daily selling rate slid to 21,460 units from 31,373 in the final 10 days of March.

The sales rate for all of March was 26,235 cars a day.

Domestic-car sales for April 1-10 tumbled to 193,139, down 15.03 percent from 227,304 for the corresponding period last year.

Declines were reported by the four U.S.-based companies and by Volkswagen of America.

American Motors dealers saw sales plunge 55.31 percent below those in the year-earlier period. For Volkswagen, sales fell 41.11 percent.

General Motors dealers delivered 23.71 percent fewer cars in early April this year. Chrysler Motors points sold 11.83 fewer cars, and Ford Motor Co. deals sold 2.49 percent fewer units.

Honda's sales climbed 58.28 percent, and Nissan's rose 45.04 percent. Toyota, which did not sell U.S.-made cars in April 1986, sold 698 in early April this year.

A Ford Motor Co. market analyst said the early April results were about even with an annualized, adjusted sales trend.

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AUCTION DATES

American Motors

April 21 — D-A Auto Auction, New Stanton, Pa.

April 22 — Minneapolis Auto Auction, Plymouth, Minn.

April 23 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

April 24 — St. Louis Auto Auction, Bridgeton, Mo.

April 28 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

April 29 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Chrysler Corp.

April 21 — Hatfield Auto Auction, Hatfield, Pa.; Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; and Dallas Auto Auction, Grand Prairie, Texas

April 22 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

April 23 — Fredericksburg Auto Auction, Fredericksburg, Va.

April 24 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

April 21 — South Seattle Auto Auction, Kent, Wash.

April 22 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

April 23 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

April 24 — Interstate Auto Auction, Mercer, Pa.

April 28 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

April 29 — Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

General Motors

April 21 — Harrisonburg Auto Auction, Harrisonburg, Va.

April 22 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

April 23 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

Used Car Sales
Auction Averages

April to date	$5,896
Month ago	$5,794
Year ago	$5,035

Model Breakdown
Auction Averages

	APR 1987	MAR 1987	FEB 1987
1987	$13,957	$13,443	$13,406
1986	$9,568	$9,609	$10,038
1985	$7,314	$7,305	$7,382
1984	$5,801	$5,825	$5,940
1983	$4,902	$4,860	$4,843
1982	$3,796	$3,755	$3,628
1981	$2,665	$2,643	$2,537
1980	$2,214	$2,155	$2,167
Overall Average	$5,896	$5,829	$5,711

Auction benefit

KANSAS CITY, Mo. — For the third year in a row, proceeds from Metro Auto Auction's May 5 sale here will be donated to the Salvation Army.

70,000 seek jobs at Toyota plant

GEORGETOWN, Ky. — Kentucky has received about 70,000 applications for the 3,000 positions at Toyota's new Georgetown, Ky., assembly plant, and officials expect another 25,000 applications by September.

Kentucky officials are interviewing candidates for skilled trade jobs and expect that Toyota will hire about 300 trade workers for the plant's first shift. Production of a Camry model will begin in mid-1988.

A Toyota spokesman said group and team leaders (production supervisors) will be interviewed in May and June and hired by late summer. Team members (production workers) will be interviewed in late 1987 and hired in early 1988. Toyota said that 1,800 employees will be hired by mid-1988. That number will rise to 3,000 when the second shift is added at the end of 1989.

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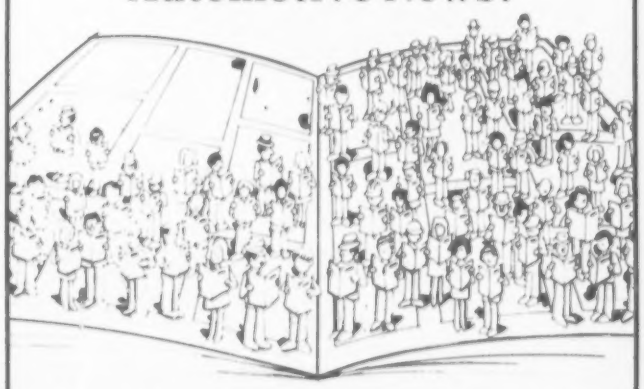

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PROXIES

FROM PAGE 1

In addition, each of the Big Three proposed shareholder resolutions to limit the liability of corporate directors. Other specific proxy issues discussed were:

GENERAL MOTORS

In addition to outlining GM's proposed new incentive plan, the proxy statement lists stock options received by GM executives and exercisable at a price of $68.32 in 1986. GM stock was trading around $86 last Friday. These options were distributed: Roger Smith, 21,100; Executive Vice President F. Alan Smith, 12,300; and Executive Vice President Donald J. Atwood, 11,500. No GM executive exercised stock options in 1986.

In other proxy materials, GM asked shareholders to approve a company proposal that would limit or eliminate the financial liability of directors in serving on the GM board.

Another shareholder proposal would prevent GM from buying stock at a price more than 5 percent above the current fair market price unless the same price is offered to all GM shareholders. The proposal stems from the $700 million-plus buyout of EDS founder H. Ross Perot last December.

Other shareholder proposals would force GM to stop all sales and licensing agreements in South Africa, though it has sold its subsidiary there; require GM to review its Northern Ireland operations in terms of equal employment and minority hiring; and require GM to stop trading with Communist countries.

GM said management opposes all shareholder proposals.

FORD

The Ford proxy showed healthy increases in salary-plus-bonus compensation for top executives: Petersen (36.4 percent), Poling (31.5 percent), Executive Vice President Philip E. Benton Jr. (35.5 percent) and Executive Vice President Ross (36.4 percent).

The 40 other Ford executive officers did not fare as well. They each averaged total 1986 compensation of $585,144, up just 6.9 percent.

Ford also reported that the company granted a total of 435,000 stock options at an exercise price of $53.69 per share to its 45 executive officers in 1986. Ford stock is currently trading around $85. Ford granted 22,000 each to Benton and Executive Vice President Allan D. Gilmour, 24,000 to Ross, 40,000 to Poling and 60,000 to Petersen.

The company said that two directors have reached the mandatory retirement age of 70 and will not stand for re-election. They are Carter L. Burgess, businessman and former U.S. ambassador to Argentina, and John B. Connally, Chapman Energy chairman and former governor of Texas.

Irvine O. Hockaday Jr., 50-year-old chairman and chief exeutive officer of Hallmark Cards, has been nominated to join the board.

One management proposal that will come before shareholders would limit the personal liability exposure of company directors.

There also are two shareholder proposals demanding the company withdrawal from South Africa, one seeking to limit corporate charitable contributions, one to terminate vehicle sales to the South African military and police, one to preclude contracts for the Strategic Defense Initiative or so-called Star Wars project, and one to impose condition on company stock repurchases.

CHRYSLER

Chrysler's proxy primarily dealt with executive compensation.

It said Iacocca's $20.5 million package included a $9.2 million stock grant negotiated in Iacocca's Dec. 8, 1983 contract. Iacocca received the 337,500 shares, valued at $25.92 per share, on Nov. 3, 1986.

At Chrysler, unlike Ford and GM, the announced bonuses were paid in 1986 on the basis of 1985 earnings.

The proxy also indicates that from Jan. 1, 1986 through Dec. 31, 1986 the following stock options were granted at an option price of $25.75 per share: Iacocca, 90,000 shares; Greenwald, 52,500 shares; Sperlich, 45,000 shares; Vice Chairman Bennett E. Bidwell, 45,000 shares; and Vice Chairman Robert S. Miller Jr., 37,500 shares. Chrysler stock traded around $35 late Friday.

The proxy also indicates Iacocca holds presently exercisable options, granted Dec. 8, 1983, on 675,000 shares at an option price of $12.42 per share. In addition, if Iacocca remains with the corporation in 1987, he:

- Will receive 112,500 shares Dec. 8, 1987.
- Will be able to exercise options granted Dec. 8, 1983 at an option price of $12.42 per share for 225,000 shares. They are exercisable Dec. 8, 1987.

In addition, Iacocca's contract signed Feb. 5, 1987, provides that if he remains with the corporation beyond his 65th birthday he will receive:

- 191,250 shares on Nov. 2, 1990;
- 63,750 shares on Dec. 8, 1991;
- Options for 540,000 shares at an option price of $33.50 per share, exercisable Dec. 8, 1990; and
- Options for 180,000 shares at $33.50 per share that will become exercisable Dec. 8, 1991.

In addition, Chrysler asked its 135,000 common stock shareholders to increase the number of shares of authorized common stock from 300 million to 500 million.

Another management proposal would eliminate or limit certain liabilities of directors.

The single stockholder proposal would, if approved, provide for cumulative voting in the election of directors. The company is opposing that proposal.

EXECUTIVE COMPENSATION — 1986

	Salary	Bonus	Total	Value Options Exercised
GENERAL MOTORS				
Roger B. Smith, *Chairman*	$750,000	$1,025,168	$1,775,168	$0
F. James Mc Donald, *President*	644,000	871,713	1,515,713	0
Howard H. Kehrl, *Vice Chairman**	563,000	731,520	1,294,520	0
F. Alan Smith, *Executive Vice President*	439,000	636,215	1,075,215	0
Donald J. Atwood, *Executive Vice President*	394,000	640,551	1,034,551	0
FORD MOTOR CO.				
Donald E. Petersen, *Chairman*	660,772	1,300,000	1,960,772	2,374,820
Harold A Poling, *President*	531,327	1,100,000	1,631,327	1,252,058
Louis R. Ross, *Exec. Vice President*	407,555	950,000	1,357,555	1,138,617
Philip E. Benton Jr. *Exec. Vice President*	350,465	850,000	1,200,465	0
Allan D. Gilmour *Exec. Vice President*	331,356	850,000	1,181,356	0
CHRYSLER CORP.				
Lee A. Iacocca, *Chairman*	727,972	10,290,607	11,018,579	9,558,912
Gerald Greenwald, *Chairman-Chrysler Motors*	525,100	750,000	1,275,100	1,434,687
Harold K. Sperlich, *President-Chrysler Motors*	486,800	697,917	1,184,717	1,117,505
Bennett E. Bidwell, *Vice Chairman*	462,190	646,667	1,108,857	540,940
Robert S. Miller Jr., *Vice Chairman*	383,023	467,208	830,213	797,343

*Retired 1/1/87

NOTE:GM bonuses include the value of stock awards, corporate contribution to stock-savings program and performance awards paid in 1987 based on 1986 performance. Ford salaries include corporate contribution to savings and stock investment plans; Ford bonuses are those paid in 1987 and 1988 based on 1986 performance. Chrysler bonuses are those paid in 1986 based on 1985 performance; totals also include corporate contributions in 1986 to employee savings plan and, for Iacocca, a stock grant paid in 1986. Value of stock options not included in any figures.

GM looking for profit, not share of market

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will spend more on new products in 1986-1990 than in any five-year period in history. Despite the increase, the automaker will cut overall spending $10 billion by 1990.

GM executives also told a group of auto analysts that GM will, in that period, focus on profits instead of market share.

"GM is now in a strong position to provide maximum profitability," GM Chairman Roger B. Smith told analysts. "Maximum profitability may be best achieved at less production capacity than we currently have. That simply means a leaner, more productive workforce operating in fewer, but more modern and flexible manufacturing facilities, that can efficiently respond to volume and market-share fluctuations."

At the start of the 1987 model year, GM had said it would capture 42 percent of the U.S. car market. Executives now say GM's market share this year will be "around the 40 percent level." GM's car market share has been running 36 to 38 percent in recent months, a drop which GM executives described as temporary.

GM officers told analysts that automotive capital spending will average $6.5 billion annually from 1987 through 1990. That is about $3.5 billion below the average spending of 1985 and 1986.

At the same time, however, GM officials told analysts GM will spend $15 billion on new product programs during the 1986-to-1990 time frame, more than it ever has spent in a five-year period.

Earlier this year, GM told stockholders in a letter that it would slash expenses by $10 billion cumulatively through 1990. Of that amount, the letter outlined how $3.4 billion would be saved.

But GM executives told analysts how the entire $10 billion breaks out by groups within the company. They said that $4.4 billion of the cuts will come from the North American car groups, $2 billion from the truck and overseas group, $3.2 billion from component groups and $400 million from central office and technical staffs.

In the car groups, GM has cost-cutting programs called Project 2200 and Project 1800. The Buick-Oldsmobile-Cadillac Group has targeted $2,200 worth of costs to cut from each car; the Chevrolet-Pontiac-Canada Group has a goal of cutting $1,800 worth of costs from each car.

GM executives told analysts they have no plans now to close any more plants than than those already announced. GM has announced the closings of nine assembly plants and parts of two others. It also has said it will close a components plant in Detroit and has put another components plant in Ohio up for sale.

However, analysts were told that individual component operations are being scrutinized for profitability.

GM executives also told analysts that the automaker will not have to borrow money to repurchase its stock, as many analysts had predicted. GM has said it will buy back up to 20 percent of its common stock by 1990 to boost the value of its outstanding shares. The program could cost the company about $5 billion.

GM Treasurer Leon K. Krain explained in an interview following the analysts' meeting that part of the buyback will be funded by a nearly $1 billion dividend paid to GM by its finance subsidiary, General Motors Acceptance Corp.

Historically, GMAC has paid half of its profit to GM as a dividend, Krain said. GMAC paid a $750 million dividend to GM in 1983, $700 million in 1984, $100 million in 1985 and no dividend in 1986 despite its record $1.2 billion profit.

GM said GMAC will be able to pay a large dividend this year because its borrowing costs will be lower.

GM also will receive a $900 million federal tax refund this year.

The two-day analysts' meeting consisted of a tour of GM's Linden, N.J., assembly plant where the Chevrolet Corsica and Beretta are produced, and sessions with more than 40 of GM's top executives, including Smith, who did not attend last year's meeting.

PROFITS

FROM PAGE 1

Chrysler will report earnings next week.

Based on an average of forecasts by auto analysts, the Big Three will report combined earnings of $2.21 billion for the first quarter, compared with $2.15 billion in the year-ago period. Combined earnings for the year are expected to be about $6.70 billion, down some 12 percent from $7.64 billion in 1986.

However, the first-quarter reports of GM and Ford are expected to be the reverse of last year's first quarter.

GM is expected to report profits of about $770 million for the first quarter of 1987. That would be down 27 percent from the $1.06 billion earned in the first quarter of 1986 and would mark the first time since 1983 that GM earned less than $1 billion in the first quarter.

The lower profits are due to the lower sales volume that has caused GM to scale back production.

However, GM Chairman Roger B. Smith told auto analysts that first-quarter profits would exceed the consensus of analysts' forecasts. Before the recent meeting, the consensus was that GM would earn just under $700 million.

Following the meeting, some analysts revised their GM forecasts for the first quarter.

Smith said the overseas group should contribute to the company's 1987 earnings after reporting a loss of $550 million in 1986.

Smith told analysts that GM's overseas market penetration has increased and the European outlook is optimistic. In addition, GM noted that in 1986, six overseas operations that were not "financially viable" were sold, liquidated or restructured, which will save GM an anticipated $100-million-plus annually.

Ford, meanwhile, is expected to report record profits of $1.15 billion for the first quarter of 1987. That would be a 58 percent increase over 1986's first-quarter profits of $728 million and would mark the first time in history that Ford hit the billion-dollar mark in the first quarter. It would also be Ford's best-ever quarter, topping the $1.08 billion earned in the second quarter of 1986.

Analysts estimate that Ford will earn less in 1987 than it did in 1986. Nevertheless, Ford is expected to out-earn GM again this year.

For the year, analysts predict Ford will earn $3.05 billion, down 7 percent from the record $3.29 billion it earned in 1986. It would be Ford's second-best year ever.

GM, meanwhile, is expected to earn $2.45 billion, down 17 percent from last year's $2.95 billion.

Chrysler is expected to report first-quarter earnings of about $286 million, down 20 percent from $357 million in the first quarter last year. For the year, Chrysler's earnings will be about $1.2 billion, based on analysts forecasts, down 14 percent from 1986's $1.4 billion.

EARNINGS FORECAST
averages from 10 auto analysts, in millions*

	GM	Ford	Chrysler	Big Three
1st Quarter 1987*	$ 770	$1,150	$ 258	$2,210
1st Quarter 1986	$1,060	$ 728	$ 357	$2,150
All of 1987*	$2,450	$3,050	$1,170	$6,700
All of 1986	$2,950	$3,290	$1,400	$7,640

PRODUCTION

Holiday trims auto output

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

With no Saturday overtime and only four working days because of the Easter holiday, last week's scheduled domestic auto production dipped considerably from the prior week's build.

Scheduled output of 129,544 cars was 20.31 percent below the previous week's 162,550 and 20.27 percent below the year-ago week's 162,475.

So far this year, 2,368,592 cars have been assembled, 9.08 percent below the 2,605,125 completed last year at this point.

Last week's targeted production was shared as follows: General Motors, 50.48 percent; Ford Motor Co., 26.64 percent; Chrysler Motors, 12.35; Honda of America Manufacturing Inc., 4.11 percent; New United Motor Manufacturing Inc., 2.47 percent; Nissan Motor Manufacturing Co. U.S.A., 2.25 percent; Volkswagen of America, 1.24 percent; and American Motors, 0.46 percent.

GM's Oklahoma City plant was idle last week for inventory adjustment. The plant is expected to resume production tomorrow (April 21).

As previously reported, production at GM's Flint, Mich., plant has been cut to four days a week with two eight-hour shifts daily, effective today.

GM's Lakewood, Ga., assembly plant remains down for model changeover. The plant is expected to resume operations in early May.

Chrysler's Belvidere, Ill., plant is idle for changeover to the full-sized Chrysler New Yorker and the new Dodge Dynasty. The plant has been down since March 9 and is expected to resume production in early July.

All plants were closed last Friday (April 17) because of the Easter holiday.

Ford has slated daily overtime this week at all car plants.

Saturday (April 25) overtime is scheduled for Ford's Dearborn, Mich., and Lorain, Ohio, plants.

63,410 trucks built in short week

U.S. truck manufacturers targeted production of 63,410 units last week, 21.32 percent below the previous week's build of 80,594. The plants worked only four days last week because of the Easter holiday.

Last week's scheduled output was 16.42 percent below the year-ago week's 75,864.

No Saturday (April '8) overtime was scheduled because of the Easter holiday.

Daily overtime is slated for all Ford plants this week (April 20).

GM return hikes Canada car total

Canadian automakers planned to build 14,644 cars last week, 21.16 percent more than the previous week's 12,086. Three General Motors plants were closed the previous week;one returned to work last week.

Assembly plants worked only four days last week because of the Easter holiday. The week's car output was 42.37 percent below last year's 25,412.

So far this year, 251,428 cars have been assembled, 28.26 percent below the 350,490 completed last year at this point.

Truck production was scheduled at 14,357 units last week, 21.55 percent below the prior week's 18,-300 and 26.90 percent below the year-ago week's 19,639.

GM's Oshawa, Ontario, (No. 1) car plant resumed production last week (April 13). The plant had been idle for one week to adjust inventory.

GM's Oshawa, Ontario, (No. 2) car plant remains down for conversion to the new GM10 cars.

The GM Ste. Therese, Quebec, plant will be idle until May 18 for model changeover.

CANADIAN CAR	Week Ended April 18, 1987	Week Ended April 19, 1986	Week Ended April 11, 1987	April to Date	Jan. 1 to April 19, 1986	Jan. 1 to April 18, 1987
AMERICAN MOTORS	60	116	101	273	1,897	2,105
FORD MOTOR	9,704	11,401	11,544	27,597	173,250	159,060
GENERAL MOTORS	4,480	13,670	0	5,849	171,997	86,734
HONDA	200	0	216	541	0	424
VOLVO	180	225	225	540	3,346	3,105
Total Cars, Canada	14,644	25,412	12,086	34,799	350,490	251,428

U.S. TRUCK☆	Week Ended April 18, 1987	Week Ended April 19, 1986	Week Ended April 11, 1987	April to Date	Jan. 1 to April 19, 1986	Jan. 1 to April 18, 1987
CHEVROLET	18,271	23,270	24,151	53,853	385,932	336,953
DODGE	3,800	1,572	5,899	12,645	2,822	73,204
FORD	25,578	32,902	31,815	76,255	451,340	461,047
GMC	6,415	7,704	8,216	19,277	114,195	110,607
NAVISTAR	1,341	1,603	1,656	3,955	23,302	22,395
JEEP	3,525	3,446	4,366	10,627	63,245	66,534
NISSAN	1,730	3,317	1,721	4,494	26,732	24,989
AM GENERAL*	450	50	450	930	772	1,500
MISCELLANEOUS*	2,300	2,000	2,300	5,980	35,010	32,200
Total Trucks, U.S.	63,410	75,864	80,594	188,015	1,103,340	1,129,429

CANADIAN TRUCK	Week Ended April 18, 1987	Week Ended April 19, 1986	Week Ended April 11, 1987	April to Date	Jan. 1 to April 19, 1986	Jan. 1 to April 18, 1987
AMERICAN MOTORS	800	830	735	1,719	4,902	9,212
CHRYSLER	5,976	8,757	8,610	19,747	136,349	125,474
FORD	3,040	3,594	3,371	8,233	54,599	46,731
GENERAL MOTORS	4,579	6,159	5,380	13,090	94,103	56,996
NAVISTAR	162	239	204	486	3,005	2,809
Total Trucks, Canada	14,357	19,639	18,300	43,276	292,958	241,222
N. American Trucks	77,767	95,503	98,894	231,291	1,396,298	1,370,651

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Most of estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended April 18, 1987	Week Ended April 19, 1986	Week Ended April 11, 1987	April to Date	Jan. 1 to April 19, 1986	Jan. 1 to April 18, 1987
AMERICAN MOTORS	600	0	770	1,829	14,563	10,007
Renault Total	600	0	770	1,829	14,563	10,007
Alliance	600	0	770	1,829	12,721	10,007
Encore	0	0	0	0	1,842	0
CHRYSLER MOTORS	16,000	25,174	25,192	55,389	447,179	359,589
Plymouth Total	3,900	8,018	6,455	13,803	123,648	123,531
Horizon	0	3,453	0	0	45,872	32,997
Sundance	1,500	0	2,664	5,823	0	33,793
Reliant	1,600	3,253	2,480	5,379	54,716	38,365
Caravelle	700	979	1,165	2,486	18,358	17,865
Gran Fury	100	323	146	303	4,700	471
Chrysler Total	6,800	7,186	10,509	22,492	156,003	103,237
Laser	0	915	0	0	17,497	0
LeBaron K	1,300	2,172	2,052	4,401	37,986	27,378
LeBaron J	2,400	0	3,535	7,575	0	26,126
LeBaron GTS	700	0	1,133	2,405	26,930	12,813
New Yorker/E-Class	1,400	1,479	2,273	4,801	31,841	27,232
Fifth Avenue	1,000	2,622	1,606	3,311	44,739	7,686
Dodge Total	5,300	9,988	9,138	19,074	164,526	132,820
Daytona	1,100	1,289	1,767	3,701	15,923	14,228
Omni	0	3,311	0	0	46,373	28,363
Shadow	1,700	0	2,945	6,115	0	31,419
Aries	1,400	2,483	2,401	5,061	40,617	33,924
Dodge 600	700	1,970	1,185	2,475	27,080	15,732
Lancer	300	0	628	1,298	24,637	8,439
Diplomat	100	915	212	435	9,898	715
FORD MOTOR	34,513	40,331	43,755	104,022	562,148	612,089
Ford Division	24,844	27,9[illegible]	31,564	74,839	393,267	424,577
Escort	6,709	9,1[illegible]	8,262	19,871	125,042	111,396
Mustang	3,651	4,208	4,531	11,342	61,995	66,420
Tempo	3,184	4,095	4,113	9,969	64,000	59,513
Taurus	7,964	6,805	10,013	23,606	78,546	141,805
Thunderbird	3,336	3,653	4,646	10,052	53,684	45,843
L-M Division	9,669	12,405	12,191	29,182	168,881	187,512
Mercury Total	6,389	8,715	8,091	19,342	120,961	132,158
Lynx	589	1,349	733	1,939	20,445	16,961
Capri	0	388	0	0	5,449	0
Topaz	1,212	1,335	1,383	3,239	20,142	18,024
Cougar	2,258	2,403	3,079	6,871	37,201	52,664
Sable	2,320	3,240	2,896	7,294	37,724	44,489
Lincoln Total	3,280	3,690	4,100	9,840	57,920	55,354
Continental	326	414	413	986	6,581	5,540
Lincoln	2,462	2,768	3,075	7,383	43,451	41,514
Mark VII	492	508	612	1,472	7,888	8,300
GENERAL MOTORS	65,391	88,133	76,259	191,[illegible]	1,421,202	1,163,250
Buick Total	9,721	16,797	9,650	27,043	229,078	186,524
Skyhawk	634	1,913	811	1,923	27,411	13,314
Century	1,360	5,796	3,329	7,418	76,466	58,131
Regal	875	1,371	0	1,460	14,521	13,136
Somerset/Skylark	1,560	2,456	1,704	3,264	30,618	24,277
LeSabre (fwd)	2,872	2,897	3,515	8,561	32,300	35,136
LeSabre/Electra (rwd)	240	251	291	635	4,279	4,101
Electra (fwd)	1,949	1,495	0	3,418	36,758	32,494
Riviera	231	618	0	364	6,725	5,935
Cadillac Total	5,187	7,212	5,317	14,408	96,324	99,955
Cimarron	0	566	0	151	8,133	5,615
Allante	120	0	104	284	0	864
Brougham (rwd)	980	1,898	1,170	2,899	25,903	25,999
DeVille (fwd)	3,200	3,623	4,043	9,633	50,058	54,508
Eldorado	479	571	0	748	6,813	5,115
Seville	428	552	0	683	5,417	7,856
Chevrolet Total	25,017	24,434	33,378	79,116	465,143	434,579
Chevette	0	2,542	0	0	38,360	0
Camaro	2,852	3,065	3,276	7,761	69,120	31,065
Cavalier	7,010	7,622	8,851	20,924	134,895	111,764
Celebrity	2,352	5,380	7,744	15,068	98,521	113,991
Corsica/Beretta	5,600	0	6,523	15,647	0	76,822
Monte Carlo	1,443	2,148	874	3,977	37,898	21,936
Chevrolet	5,320	3,145	5,459	14,049	80,392	69,752
Corvette	640	532	651	1,670	8,157	9,249
Oldsmobile Total	11,813	22,300	13,687	33,124	306,050	218,630
Firenza	520	1,329	613	1,431	17,509	2,998
Calais	2,280	2,277	2,955	5,235	44,048	34,035
Cutlass Ciera	592	4,903	3,591	6,353	89,486	55,259
Cutlass Supreme	2,619	2,632	1,309	5,445	62,611	18,878
88 (fwd)	3,229	8,400	3,998	9,249	98,869	66,604
88 (rwd)	392	333	471	1,111	7,272	5,786
Olds 98	1,786	1,900	752	3,680	41,439	28,529
Toronado	395	446	0	619	4,854	4,943
Pontiac Total	13,653	17,390	14,227	36,108	264,567	223,562
Acadian*	0	435	0	0	4,464	0
Fiero	957	2,265	0	957	27,135	10,953
1000	0	828	0	0	7,789	0
Firebird	1,708	1,617	2,001	5,015	36,994	24,622
2000 Sunbird	1,956	2,993	2,460	6,043	44,351	36,750
Grand Am	4,140	4,794	6,236	14,017	68,167	76,794
6000	2,112	3,229	0	3,643	48,289	25,495
Bonneville	2,520	0	3,125	7,475	0	44,886
Safari/Parisienne	260	1,209	405	959	27,378	4,062
HONDA	5,320	3,757	6,630	16,201	56,269	99,118
Civic	1,320	0	1,535	3,900	0	32,298
Accord	4,000	3,757	5,095	12,301	56,269	66,820
NISSAN	2,920	0	2,868	7,585	21,517	42,127
NUMMI	3,200	3,070	4,121	9,761	55,638	58,095
Corolla	600	0	844	1,928	0	11,845
Nova	2,600	3,070	3,277	7,834	55,638	46,250
VOLKSWAGEN	1,600	2,010	1,925	4,737	26,609	24,318
Golf/GTI	1,350	2,010	1,675	4,087	26,609	20,118
Jetta	250	0	250	650	0	4,200
Total Cars, U.S.	129,544	162,475	162,550	391,103	2,605,125	2,368,592
Total Cars, Canada	14,644	25,412	12,086	34,799	350,490	251,428
N. American Cars	144,188	187,887	174,636	425,102	2,955,615	2,620,020
N. American Trucks	77,767	95,503	98,894	231,291	1,396,298	1,370,651
North American Cars and Trucks	221,955	283,390	273,530	657,393	4,351,913	3,990,671

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units up to millions.

Chevrolet to miss 1987 sales target

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Chevrolet will not top the 3-million sales mark as predicted at the start of the model year, but it will be close.

Chevrolet General Manager Robert Burger had predicted at the start of the model year that Chevrolet would sell 3.1 million vehicles. He said last week that the division's car sales will not reach the 1.8 million units predicted at the start of the model year. But truck sales will hit their target of 1.3 million or more for a sales total of 2.9 million vehicles, he said.

Burger said it is unlikely that, during the remainder of the model year, the division will be able to make up for the the last quarter of the 1986 and January, which were below forecasts.

Speaking at a press conference before the opening of the Greater New York International Automobile Show, Burger said that much of the burden for boosting General Motors' share of the car market rests on the shoulders of Chevrolet.

For GM to capture 40 percent of the market for the calendar year, as GM executives hope, Chevrolet will have to have a monthly market share of 16 to 16.5 percent for the remainder of the year, he said. Chevrolet's market share was 16 percent in the 1986 model year and the division had hoped to increase its penetration by a full percentage point with the addition of the Corsica and Beretta.

GM's market share in recent months has been running at about 36 to 38 percent.

"I would suspect that for GM to get to 40 percent for the balance of the year is a real tough assignment," Burger said. "With three or four months behind us, we're down 3 percentage points from that number, so that means we'd have to travel at considerably over 40 percent for the balance of the year."

But, he said, with the the Corsica and Beretta and more aggressive incentives than GM had on its cars in the early months of the model year, "we have a good shot at getting 40 percent."

Burger said he expects GM to match competitors on incentives through the rest of the year.

"We'll be as aggressive as anyone out there," he said. "We went for three months of the model year — October, November and December (1986) — practically naked on incentives if you compare us to some of the domestic manufacturers. It has not been until the last 45 days that we have been across-the-board competitive throughout GM. For the rest of the year, we'll be right there doing what the rest of the industry does."

Burger said Chevrolet would offer incentives on Corsica and Beretta only if dealer inventories get too high.

Chevrolet has received 180,000 dealer orders for the Corsica and Beretta. That represents 70 percent of the models that can be built through September.

Dealers report that showroom traffic is up a third because of the new cars. Chevrolet is expecting as many as 5 million potential customers to head to Chevy showrooms because of the Procter & Gamble Co. promotion, which kicks off April 25 and will involve the giveaway of 750 Corsicas, Berettas and 1988 C/K pickups.

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Automotive News

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Non-union auto parts may spark Canada fight

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

TORONTO — In a move that could have a major impact on auto industry outsourcing, Canadian Auto Workers President Robert White is urging union members to refuse to handle parts made by non-union workers.

White's move to fight the growth of non-union suppliers came during the union's first collective bargaining convention last week. It is in line with the CAW program of fostering grassroots responsibility and action — which was the spirited convention's underlying theme.

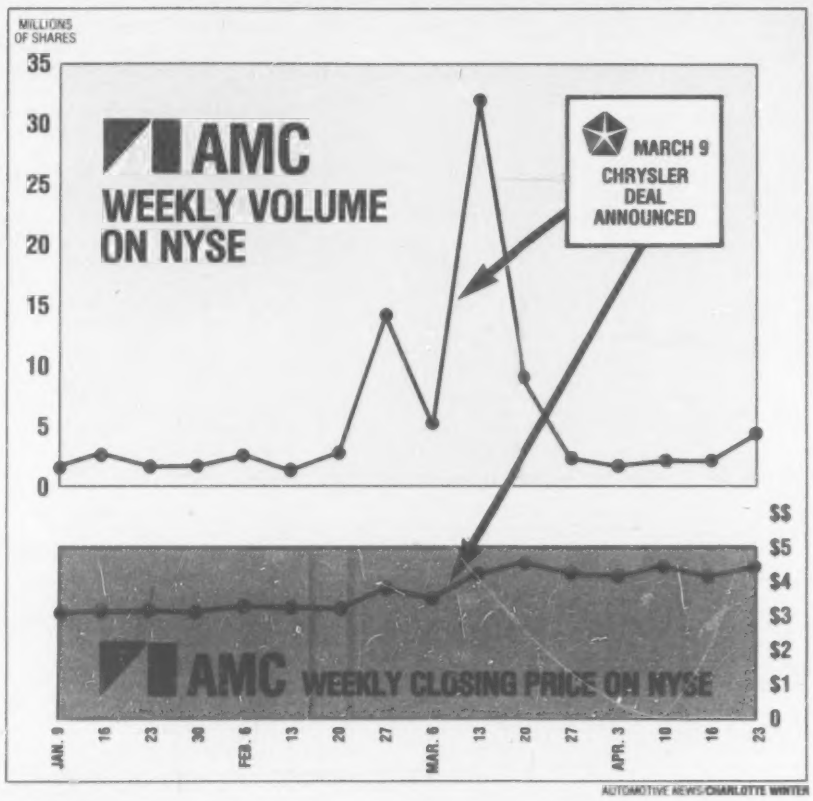
Canadian-auto workers, unlike those in the United States, don't have a right to strike in mid-contract. But following the lead of Local 444 in Windsor, Ontario, which has blocked — or at least delayed — planned outsourcing of seats by Chrysler Canada to Markham, Ontario-based Magna International, White said locals should put automakers on notice that workers will refuse to install parts from non-union suppliers.

Basil Hargrove, an assistant to White, said, "No one is saying this is legal. But the labor movement was not built on legalities."

A spokesman for Chrysler Canada said the planned outsourcing to Magna was "put on hold. There's no change contemplated. At this point it's going to be a contract issue."

White told the delegates a similar struggle is beginning at Local 676, representing production

see UNION, page 62



WAIT: *Investors, dealers speculate amid delays in Chrysler-AMC deal*

By Laura Clark and Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTERS

Wall Street speculated heavily on American Motors stock as Chrysler Corp. and Regie Nationale des Usines Renault finalized terms of AMC's sale and anxious dealers and investors waited to determine the winners and losers.

An announcement completing the deal is expected within two weeks. Sources in Paris said Renault directors will be updated on the sale of its 44.84 percent of AMC stock at a Tuesday (April 28) board meeting. Chrysler and Renault last week again extended their deadline for finalizing the deal.

Several key AMC board members — including former chairman Roy D. Chapin Jr., former chairman Paul Tippett and Shearson Lehman Brothers Managing Director Andrew G.C. Sage II — met with legal and investment advisers in New York. Senior Chrysler officials also attended those meetings. AMC watchers speculated that AMC could ask Chrysler to sweeten its bid for AMC stock, possibly going from the announced $4 bid to as high as $4.50 per share.

Chrysler and Renault officials also were

see BUYOUT, page 65

Patent war looms over steering

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — A battle royal is threatening to embroil the Japanese auto industry over patents to the various four-wheel steering (4ws) systems planned for export to the United States.

Toyota Motor Corp., Nissan Motor Co. and Mazda Motor Corp. have filed objections with the Japanese government to Honda Motor Co.'s applications for patents on a 4ws system. In turn, Honda has filed infringement complaints against those companies.

Those four automakers and Mitsubishi Motors Corp. have developed 4ws systems that turn and steer the rear wheels of a vehicle in the same or opposite direction as the front wheels (depending on speed). The 4ws system improves stability, facilitates maneuverability and provides easier cornering and parking.

Honda and Mazda plan to offer 4ws on their 1988 models that will be sold later this year in the United States (related story on Page 42).

A spokesman for the U.S. patent office said the dispute over the Japanese patent will not prevent any of the manufacturers from selling 4ws models in the United States.

"It's not based on reciprocity" with the Japanese patent system, the spokesman said of the U.S. patent system. "If they are doing business in the U.S. they have to file a U.S. patent to be protected. If no one else filed a patent, anyone can duplicate the system and sell it, but they could not file a patent on it. Only the inventor can file."

Likewise, any challenges affecting products sold in the United States would have to be filed in the United States. A patent violation would not be cause to keep cars out of the United States; instead, the issue would have to be litigated in U.S. courts after vehicles landed stateside.

In addition to Honda's U.S. patents, a spokesman for Mazda's American unit said its parent company has patents pending in the United States for its system. Spokesmen for both companies said they knew

see PATENT, page 61

LAMBO

Italian firm to grow; $70,000 2-seater due for Chrysler dealers

By Giancarlo Perini
STAFF CORRESPONDENT

SANT'AGATA BOLOGNESE, Italy — Chrysler Motors' outright purchase of Italian exotic-car maker Lamborghini will result in production of a new $70,000 sports two-seater that will be sold by dealers in the United States in about three years.

The car, a likely replacement for the present Jalpa, is part of a broad plan that will lift Lamborghini's annual volume to between 4,000 and 5,000 units during the next five years.

It signifies a major expansion for Lamborghini, whose annual production has never exceeded 650 vehicles. The plan is to make Lamborghini a serious rival to Ferrari in the exotic-car market. Ferrari manufactured a record 3,640 cars last year.

Chrysler's most expensive model will now be Lamborghini Countach, a $127,000 beauty.

The ceremonial signing of the agreement took place last Thursday (April 23). It was signed by Gerald Greenwald, chairman of Chrysler Motors, and Patrick Mimran, the senior of the Mimran brothers who have owned Nuova Automobili F. Lamborghini S.p.A. since 1980.

The open-air signing in front of the

see LAMBO, page 61

Domestic dealer count dips; import duals climb

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

The number of dealerships handling domestic makes of cars declined again in the first quarter of 1987.

The latest Automotive News census counted 20,359 such outlets on April 1, down 46 from the 20,405 in operation at the beginning of this year. The dip was almost twice as high as in the first quarter of 1986, when 25 stores faded away.

And as the number of domestic-car outlets dropped, the number dualed with imports increased.

At the beginning of this year, some 13,000 of the 20,405 dealerships in the domestic census also handled an import — about 64 percent. During the quarter, the total of import-allied domestic deals grew to nearly 14,200, or 70 percent, principally because Renault retailers returned to the import scene with Medallion. American Motors was not importing any Renaults at the beginning of the year.

Ford will begin phasing in the Festiva in May and will complete the process by the end of September. All 4,600 Ford Division outlets then will be selling imported cars. That will bring the number of do-

see CENSUS, page 61

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Senate approves tougher safety rules — Page 3
GM, AMC, Honda announce profits — Page 4

Nova production trimmed as dealer stocks grow

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The General Motors-Toyota joint-venture plant will cut production from May through the end of the model year because of slow sales and high inventories.

The New United Motor Manufacturing Inc. plant in Fremont, Calif. will reduce output of the Chevrolet Nova by 50 cars a day to 600 cars a day for the balance of the 1987 model year, which ends Sept. 30.

Inventories as of April 1 reached 132 days' supply when 60 to 80 days is normal. Nova sales for the model year to date have been down about 20 percent from the same period in the 1986 model year.

Chevrolet General Manager Robert Burger had predicted at the start of the model year that the division would sell 180,000 Novas compared with 171,000 in the 1986 model year. In addition to the Corsica and Beretta, the Nova was the only other line in which Chevrolet expected to see a sales increase.

However, that has not happened and Chevy has scaled back its initial car sales forecast.

The subcompact segment in which the Nova competes has been bombarded with competition not only from the Japanese but also from South Korean producers.

A NUMMI spokesman said that the reduced production schedule will not require layoffs. Workers impacted by the production cut will be put in Kaizen groups — workers who study how the assembly process can be improved. They will move back to the assembly line as attrition occurs.

The production cut will not affect assembly of the Toyota FX and FX-16, which are also built at the NUMMI plant. The plant builds 150 cars a day for Toyota.

The cut of the Nova build is the largest since the plant hit full capacity in April 1985. In its only other cut, NUMMI scaled back Nova production by 10 cars a day last July before the start of the 1987 model year.

The reduction in Nova production comes in spite of the fact that Chevrolet recently received a fleet order from daily rental car companies for 46,000 Novas. Chevrolet said it is the division's largest fleet order ever and maybe the largest ever in the industry. Chevrolet offered the rental companies special incentives on the Nova.

NUMMI said it will be able to fill the order by the end of the model year despite the production cutback.

On the retail side, the Nova has had a $750 cash rebate incentive on it, which expires April 30. There are no plan now to extend the incentives.

SATURN

GM's upward-looking auto project on schedule in its earth-and-stone phase

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

SPRING HILL, Tenn. — The building of Saturn, the project to redefine the car-making universe for General Motors, is posing some earthly challenges in the early stages of plant construction.

Since work began on the site a year ago, the bulk of the task has been to lower the middle Tennessee hills and fill the valleys into a one-mile-long, half-mile-wide stone base for the complex.

Last fall, 400 workers began exploding, hauling, dumping, smashing, rolling and otherwise altering nearly three million cubic yards of limestone into shape. Construction crews have been going at it six days a week. Each night, portable lights illuminate the grounds, allowing the second shift to work until 1 a.m.

This phase is expected to wind up by mid-May, and then the cement — produced on site from materials from Saturn's own quarry — will be poured to form each building's foundation.

This summer, the steel is expected to rise and the powertrain building will begin taking form. Buildings for the stamping and assembly operations will follow.

Aside from last fall's announced scaleback of Saturn's initial plant size and car output, the project is still on its original schedule, Saturn officials say.

Officials with the construction management and engineering firms hired by Saturn confirmed that the timetable is being met, as did independent construction and labor sources in the area. Awards for the initial foundation work are expected to be granted within two weeks.

AUTOMOTIVE NEWS/JOE WILSKERS PHOTOS

After limestone is excavated from a Saturn site quarry, it is crushed to be used in concrete for the plant foundation

Construction crews drill an area that will be cleared with explosives

A year from now, construction will be nearing its peak, with 2,500 workers on site. And in two years, the plant should be finished. By 1990, when production is expected to begin, Spring Hill will be an auto town.

For a community that was supposed to have been transformed forever with the 1985 selection of the Saturn site, there's been surprisingly little growth in Spring Hill, local observers say.

The expected economic windfall hasn't materialized — in fact, the city's commercial base has declined. Main Street may be freshly paved, but many retail mainstays — a grocery, gas station and hardware store, for example — have closed since the announcement of Saturn's arrival.

Much of that can be blamed on the speculators, whose fervor matched the hype surrounding the nationwide bidding for the $3.5 billion project.

"In the beginning, we had people going up and down the highway and taking options (to buy property) with anyone who was willing to sign one," said Waymon L. Hickman, president of First Farmers and Merchants National Bank in nearby Columbia.

Real estate agents recall how investors came in from across the country, in one instance snapping up what was a $200,000 home for 10 times that price. Some businesses took the offers, shut their doors and set up shop in nearby towns. Later on, some of the newcomers realized their overexuberance and let go of their properties at a loss.

Things have quieted since the initial frenzy. Real estate agents report that homes are typically selling for 1½ times the prices they brought before Saturn — when they sell. Part of that increase has been attributed to the economic growth that has reached south of Nashville toward Spring Hill, 35 miles away.

Some sobering news has also come into play. The scaleback from 6,000 to 3,000 initial jobs and 500,000 to 240,000 annual car output has done much to temper the enthusiasm over Saturn. Skeptics question whether the project will ever get off the ground. In addition, news of GM's plant closings and subpar earnings performance has also spawned doubts.

For the most part, though, those are distant concerns. Speculative activity has given way to projects with substance — not just in Spring Hill but throughout Maury County and beyond.

In Spring Hill, work has begun on the multimillion-dollar Town Center project, which will provide a hotel, multi-family housing and a new city hall and create some sorely missed retail outlets.

Real estate agents expect activity to pick up as the plant proceeds and as more employees and suppliers move into the area. Currently, there are just seven full-time Saturn workers and four UAW officials on the job in Spring Hill.

In some eyes, even the scaleback is viewed as a blessing. A 6,000-employee plant producing 500,000 cars annually could have been too much for the area to digest at once. Rural Tennessee may not compare to an overextended Houston during the oil boom, but there is some agreement that breathtaking growth can have ugly consequences.

The second phase of Saturn would roughly double the car output, the number of employees and the size of the complex. But the go-ahead for that will hinge on the demand for the car.

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Senate approves tougher vehicle-safety rules

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Senate unanimously passed and sent to the House a package of vehicle-safety bills that includes stiffer requirements for multipurpose vehicles. The bills also give NHTSA authority to spend appropriated funds for fiscal 1988 and 1989.

Among provisions of the Senate-passed legislation:

- NHTSA would be required to extend four car safety standards — roof crush strength, head restraints, high-mounted rear stoplamp and passive restraints for outboard front seats — to multipurpose passenger vehicles, or vans.
- NHTSA would be required to improve the side-impact protection standard for cars and work toward extending it to multipurpose vehicles.
- The National Academy of Sciences would be requested to create a uniform numerical rating system enabling consumers to compare the crashworthiness of cars. Then NHTSA would decide whether to write regulations based on the Science Academy's recommendation and public comments.
- NHTSA would be required to ensure that some vehicles are tested for all safety standards, and set schedules for compliance and penalties for non-compliance with safety standards.
- NHTSA would be required to order the phase-in of lap/shoulder belts for rear outboard seats, half by 1990 models and the rest by 1991 models.
- Automakers would be required to certify and label cars with the impact speed at which their bumpers will protect the vehicle from damage.
- The Science Academy would be required to study state vehicle-inspection programs.
- Under the bill's recall section, lessors would have to notify lessees about defects, and dealers would have to repair defects before sale.
- NHTSA would have to study the safety aspects of darkened windshields and windows in cars.
- States would be allowed to registering a vehicle only if the application for registration contained an odometer reading.

Among provisions of the Senate-passed legislation: NHTSA would be required to improve the side-impact protection standard for cars.

During the last Congress, both the House and Senate passed similar bills to this one, but the legislation died because a compromise could not be reached.

EARNINGS

GM profits drop 23%; cost-cutting speeded

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors, in announcing lower first-quarter sales and profits, said it is speeding up its cost-cutting efforts.

GM reported first-quarter earnings of $922 million, down 23 percent from $1.2 billion in the first quarter of 1986.

GM earnings were considerably higher than auto analysts had projected. The consensus of analysts surveyed by Automotive News was that GM earnings would be $770 million. The quarter marked the first time since 1983 that GM earned less than $1 billion in the first quarter.

On a per-share basis, GM earnings amounted to $2.62 a share compared with $3.52 in the year-earlier quarter.

Operating income dropped about 50 percent, to $687 million from $1.4 billion.

GM sales in the first quarter totaled $26.1 billion, down 3 percent from $26.8 billion in the first quarter of 1986. Earnings as a percent of sales fell to 3.5 percent in the quarter from 4.5 percent a year ago.

GM Chairman Roger B. Smith and President F. James McDonald said in the company's earnings statement that GM is accelerating its programs to reduce staff expense, phase out uncompetitive or obsolete component manufacturing operations and improve manufacturing and assembly plant efficiencies.

A GM spokesman said the company will try to accomplish the cost-cutting efforts it already has set in motion before the previously set target dates.

GM has said it will close nine assembly and stamping plants and portions of two others and will cut its salaried workforce 25 percent by 1989. The automaker also has announced the closing or sale of some component operations and more are expected to be named in the next six to nine months. GM also has promised to cut expenses by $10 billion by 1989.

GM executives have said they have determined that component operations amounting to about 10 percent of overall component sales are not competitive and have little chance of becoming competitive, so they will be closed or sold.

Smith and McDonald noted that the rise of the Japanese yen against the U.S. dollar has caused the Japanese to concentrate on cost cutting. "We must respond to the challenge by continuing to design and build attractive, quality cars — and do so at the lowest possible price," they said.

During the quarter, GM's worldwide factory sales to dealers totaled 2,093,000 vehicles, down 10 percent from the first three months of 1986. GM attributed the sales drop to strong competition, which prompted GM to cut North American production in order to reduce inventories. During the quarter, GM also offered sales-incentive programs that adversely affected results.

In addition, GM said the start-up operations at five North American car and truck assembly plants adversely affected first-quarter performance.

GM said earnings were favorably impacted by "efficiencies generated by cost improvement programs" and record earnings from General Motors Acceptance Corp.

GM's earnings statement, however, showed that total costs and expenses for the quarter remained at the same level as in the first quarter of 1986. However, the average number of employees dropped to 847,000 from 901,000.

GM also had a lower tax bill. This year, GM paid $71.9 million in income taxes compared with $475.2 million in the first quarter of 1986. GM said it will receive a $900 million tax refund in 1987.

GM's working capital position improved, but it apparently was because of a loan from GMAC. On March 31, GM's working capital amounted to $7.4 billion compared with $3.9 billion on Dec. 31, 1986. During the quarter, GM borrowed $3.4 billion from GMAC under a five-year agreement whereby GMAC will loan up to $12 billion to its parent company. To date, GM has borrowed $8.6 billion of the $12 billion.

GMAC also paid its parent a $300 million dividend on March 31. GM previously said that GMAC will pay nearly $1 billion in dividends to its parent company during 1987 after paying no dividend to GM in 1986 despite record earnings. Historically, GMAC has paid about half of its earnings to GM as a dividend.

GMAC earned $481 million in the first quarter, a 74 percent increase over 1986 first-quarter profits of $277 million. It was GMAC's best quarter ever. GMAC's earnings included $68 million resulting from a change in depreciation accounting.

GMAC Chairman John R. Edman attributed the finance subsidiary's record profits to lower borrowing costs and a higher level of average earning assets. Short-term borrowing costs for the first quarter amounted to 6.18 percent, down from 7.84 percent for the comparable 1986 period.

GMAC financed 540,000 new cars and trucks in the United States, or about 44 percent of the vehicles sold by GM's U.S. dealers. It also financed 106,000 vehicles outside of the United States.

In the first quarter of 1986, GMAC financed 793,000 vehicles in the United States, or about 53 percent of vehicles sold by GM dealers. A wide range of incentives during the first quarter of 1986 resulted in the highest volume of vehicles financed by GMAC in a first quarter.

The dollar volume of GMAC's retail-vehicle financing totaled $8.8 billion, down from $12.2 billion in the first quarter of 1986 when more special-rate finance programs were in effect.

Total finance receivables outstanding as of March 31 totaled $81.9 billion, compared with $81.8 billion on March 31, 1986. Retail and lease financing receivables totaled $65.3 billion, and wholesale receivables, primarily dealer inventory financing, amounted to $12.6 billion.

GM's computer subsidiary, Electronic Data Systems Corp., reported net income of $65 million in the first quarter, up 16 percent from the $56 million earned in the year-earlier period.

On a per-share basis, EDS made 53 cents in the first quarter compared with 46 cents in the year-ago quarter.

Quarterly revenues increased 4 percent to $1.04 billion from $997 million in the first quarter of 1986. Of the total, sales to GM dipped 2 percent to $720 million in the first quarter compared with $736 million in the first quarter of 1986.

GM Hughes Electronics Corp. reported net income of $138 million for the first quarter. That compares with $116 million in the same quarter a year ago on a restated basis. GMHE also restated earnings to reflect a new accounting procedure for pensions. Net income for the first quarter of 1986 was $100 million before being re-stated.

Earnings without items associated with GM's purchase of Hughes Aircraft Co., including goodwill payments to Hughes, totaled $175 million, up 14 percent from $153 million. Dividend payouts for Class H stock is based upon earnings excluding those items.

Earnings per share were the subsidiary's best for any quarter at 88 cents for the first quarter, compared with 77 cents in the year-ago period.

GMHE sales amounted to $2.7 billion, up 4 percent from $2.6 billion a year ago. Sales to GM and its affiliates totaled $873 million in the first quarter compared with $802 million in the same period last year.

AMC is on a roll; posts 2nd profitable quarter

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — American Motors, on the verge of being acquired by Chrysler Corp., reported its best first quarter since 1979 with a profit of $23.4 million on sales of $1.1 billion.

That compares with a loss of $18.9 million on sales of $918 million in the first quarter of 1986. AMC earned 12 cents per share, compared with a loss of 20 cents per share or the year-earlier period.

The first-quarter profit followed a $20.0 million profit in the fourth quarter of 1986. The back-to-back quarterly profits were the first since 1984 when profits were significantly less than in the past two quarters.

The 1987 period resulted in AMC's best first-quarter earnings since 1979 when it earned $32.0 million. It was the best-ever first quarter in terms of sales, with $1.1 billion.

AMC President Joseph E. Cappy said the company's improved performance was due to increased Jeep sales, a strengthened passenger-car line with the introduction of the Renault Medallion in March, improved operating margins and the continuation of improved manufacturing efficiencies.

He noted that the profit was achieved despite start-up costs associated with the new Bramalea, Ontario, assembly plant, where AMC will produce the intermediate-sized Premier, and provisions for employee profit sharing during the quarter.

North American vehicle sales totaled 77,012 for the first quarter, compared with 70,173 for the year-earlier period. They included 18,380 car sales and 58,632 Jeep sales this year. That compares with 17,011 car sales and 53,162 Jeep sales in the year-ago quarter.

Outside North America, AMC sold 5,927 vehicles, down from 7,249 in the first quarter of 1986. AMC sold 190 cars and 5,737 Jeeps outside North America during the quarter. That compares with 1,601 cars and 5,648 Jeeps in the year-ago quarter.

Honda blames yen gain as profits plunge 43%

TOKYO — Honda Motor Co. Ltd. reported a 43 percent drop in earnings for the fiscal year ended Feb. 28 because of the strengthening Japanese yen.

Honda said net income for the fiscal year amounted to $547 million, down 43 percent from the previous fiscal year. Sales totaled $18.7 billion, down 1 percent.

Honda said sales in its home market were up 7 percent because of an increase in sales of cars and parts and other revenues. The company said that its overseas subsidiaries had increased sales in their local currencies, but overseas revenue dropped because of the strengthening Japanese yen.

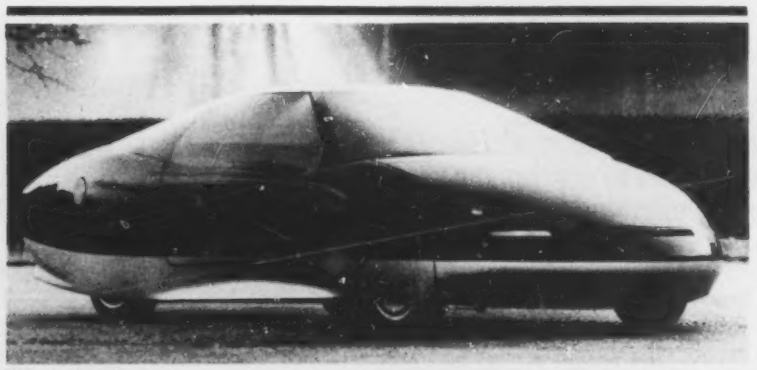
By product segment, Honda said car sales were $13.1 billion, up 9 percent, mainly because of stronger Japanese sales and a restructuring of the Japanese dealer network. U.S. sales increased with the expansion of local production capacity and a sustained demand for Honda cars, Honda said. Car sales in Europe also rose.

Motorcycle sales amounted to $2.0 billion, down 27 percent, because of sales declines in overseas markets, especially North America. Sales of power products totaled $1.1 billion, down 35 percent. Honda said power-product sales increased in Japan but declined overseas because of lower sales of all-terrain vehicles. Parts sales and other revenue totaled $2.6 billion, the same as the previous year.

Of total sales revenue, 69.7 percent came from automobiles, up 6.4 percent; 10.5 percent came from motorcycles, down 3.7 percent; 5.7 percent came from power products, down 2.9 percent; and 14.1 percent came from parts and other sources, the same as last year.

For the fourth fiscal quarter, Honda reported net income of $132 million, down 33 percent from the year-earlier fourth quarter. Sales totaled $5.0 billion, up 3 percent.

By product segment for the quarter, Honda had car sales of $3.7 billion, down 15 percent; motorcycle sales totaled $348 million, down 34 percent; sales of power products amounted to $347 million, down 20 percent; and sales of parts and other revenue were $643 million, up 1 percent.



Wind cheater
Chevrolet says its Aero 2003A research vehicle has the lowest coefficient of drag (0.166) of any driveable vehicle in the world. The vehicle has wheel skirts, a hydraulic height-adjustment system, hidden wipers, peripheral inside mirrors and a smooth underbody. The engine is a 2.8-liter 60-degree transversely mounted V-6 with electronic fuel injection. A low-profile radiator that receives air through a large duct in the nose panel helps to lower Aero 2003A's nose.

Mid-April sales up 3%

Sales of new cars built in the United States perked up a bit in mid-April. There was also an improvement in the daily selling rate.

Sales of the eight companies now selling U.S.-made cars totaled 201,141 units for April 11-20, up 3.80 percent from 193,772 last year.

The daily selling rate climbed from that of the preceding 10-day period, although it trailed the rate for March.

The mid-April rate rose to 25,143 cars a day from 21,460 for the first 10 days of this month and 24,222 for April 11-20 last year. The daily selling rate was 26,235 for all of March and 24,215 for all of February, according to an Automotive News analysis.

In mid-April, Nissan dealers delivered a robust 206.99 percent more cars than they did a year earlier. Honda's sales were up 77.75 percent and Ford Motor Co.'s rose 28.69 percent.

Losers in the period were American Motors with a drop of 55.31 percent from last year; Volkswagen with a decline of 30.66 percent; Chrysler Motors with a fall-off of 6.92 percent; and General Motors with a dip of 7.83 percent.

— Roger Rowand

DOMESTIC SALES

	Apr.11-20, 1987	Apr.11-20, 1986
Renault		
Alliance-Encore	570†	1,350†
AMC	145†	250†
American Motors	715	1,600
Chrysler	6,584	8,921
Plymouth	8,423	6,747
Dodge	9,067	10,196
Chrysler Motors	24,074	25,884
Ford	43,626	31,883
Mercury	11,987	11,113
Lincoln	4,303	3,561
Ford Motor Co.	59,916	46,557
Buick	15,467	18,502
Cadillac	8,528	7,130
Chevrolet	38,899	39,798
Oldsmobile	20,721	26,610
Pontiac	20,864	21,320
General Motors	104,479	113,360
Volkswagen	1,167	1,683
Honda	5,488	3,650
Nissan	3,248	1,058
Toyota	1,054	0
U.S. Industry Total	201,141	193,772

†—Estimate

FEATURES

"The Letter"

Invitation elicits anger from fleet managers, apology from Runzheimer International

By Geoff Sundstrom

Professional fleet managers will be trading opinions on a number of controversial topics at NAFA's annual conference this week. But nothing is expected to top the controversy over "the letter."

"The letter" was a promotional mailing sent to the chief executive officers of numerous fleet managers by Runzheimer International, Rochester, Wis.

According to NAFA's December newsletter, the Runzheimer letter "invited CEOs to a seminar designed to show 'a few ways to put your company cars on a sound financial footing.' "

The Runzheimer letter said: "Please don't send your fleet manager. Send someone with your authority or come yourself. Only you are equipped to make the kinds of decisions that can solve your fleet problems."

Runzheimer sells research and services to companies who reimburse drivers of employee-owned vehicles. The firm's newsletter for fleet managers, *Runzheimer Reports on Transportation*, is widely read in the industry.

The letter sent shock-waves through NAFA's membership when it was distributed late last year. NAFA was established, in part, to heighten the professional image and management skills of fleet administrators.

Said NAFA president Helen Bland: "I was very upset, because I got one of the letters. It went to our CEO, and he just sent it down to me."

Bland continued: "Not only was I upset, but there were many dozens and dozens of fleet managers whose CEOs got the letter. I wrote a letter on my own behalf to the gentleman who wrote that letter, and told him that not only was I upset, but that I had received a lot of calls from our NAFA members.

> "Boy, the troops were really upset. They wanted a letter of apology from Runzheimer published, so that our people would know we had taken issue with what they had said.
>
> They gave us the letter of apology, which we published in the newsletter."
>
> **— Helen Bland, 1986 NAFA President**

"My feeling was, if fleet managers meant nothing to them, then we would stop doing all their surveys. I thought they owed us an apology for that," Bland said.

She said a Runzheimer executive phoned her with an explanation. Shortly after, the NAFA board met.

Said Bland: "Boy, the troops were really upset. They wanted a letter of apology from Runzheimer published, so that our people would know we had taken issue with what they had said. They gave us the letter of apology, which we published in the newsletter.

"The only thing we didn't do — and I think it took care of itself — was to insist that they also send letters (of apology) to our CEOs also," Bland said.

According to Bland, "Runzheimer said it was a poor choice of words. But it was more than a poor choice of words. They said it was done by a marketing person. Regardless of who it was, it was a terrible thing to say. Even if they didn't think we were knowledgeable or could make decisions — to make a statement like that and send it to our CEOs, who all sent it right to their fleet managers, was a complete insult."

Bland added, "I think they realized their mistake. A lot of the information they have in their own book that they publish for $400 came from NAFA members. No NAFA members are going to give them that information if they are going to say we don't have any decision-making power in our companies."

According to Bland, "I said to them in my letter: You know you are a member of NAFA. We assumed all these years that you supported NAFA membership, and obviously you don't."

Runzheimer's apology, signed by Runzheimer president Gaylord F. Milbrandt, read in part: "It is unfortunate that we carelessly allowed one of our letters (encouraging CEOs to attend a seminar) to contain an injudicious reference to fleet managers. Believe me that our poor choice of words was unintentional.

"Helen Bland, your NAFA president, has passed along some of the concern expressed by some, and that will certainly cause us to be more careful and sensitive in the future. I hope this will only be a temporary annoyance and not damage our long-term relationship with NAFA and its members."

The apology concludes, "In sum — we feel badly; we apologize; and we hope you will forgive us. You can rest assured we will continue to professionally and financially support the NAFA organization." ■

Runzheimer predicts minimal rise in gas price

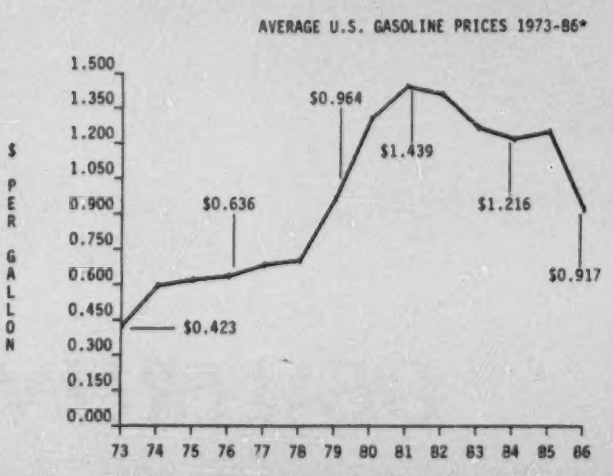
If 1987 is a relatively "normal" year, the editors of *Runzheimer Reports on Transportation* predict that "the U.S. average price per gallon of gasoline will not increase more than 5 cents above the February average of 90.5 cents per gallon (self-serve unleaded regular), and may even drop."

Runzheimer defines "normal" as a year that does not witness "flashpoints — those accidental junctures in time when rising demand for petroleum strikes against flinty and unyielding international political events to spark frenzy, fright and economic upheaval."

Further regarding gasoline prices, Runzheimer states:

"Whether OPEC can come to terms with itself in 1987 will have limited effect on the U.S. average per gallon price of gasoline for the rest of the year. There is still a great deal of excess gasoline in storage to be 'eaten up,' and no shortages are predicted for this year.

"Also, as our analysis of gasoline prices demonstrated, the maximum year-to-year increase outside of the flashpoints is less than 5 cents per gallon."



*NOTE--PRICES FROM 1973-82 WERE FULL-SERVE UNLEADED AND FROM 1983-86 WERE SELF-SERVE UNLEADED. ALL PRICES WERE EFFECTIVE ON JULY 1.

But Runzheimer also cautions that "the key to fuel-price changes is largely the ability of OPEC members to adhere to to their output ceiling. That remains to be seen." (See the accompanying graph.)

Regarding automobile insurance rates, Runzheimer says "the crisis has peaked and insurance coverage is becoming more available to fleets."

Runzheimer's editors recommend that "fleet managers should not halt the efforts they've made in the past several years with safety and risk management programs.

"A well-designed safety program, besides saving lives, represents a way to enhance respectability and professionalism of the fleet-management position within an organization."

Runzheimer quotes the Insurance Service Office as saying that "statistics show that the dollar-loss ratio for insurance companies has diminished in the past two years. In 1985 the insurance industry lost $1.165 for every dollar of income taken. In the first nine months of 1986, the loss ratio was $1.08 for every dollar. In 1987, we predict that figure will drop to about $1.05 per dollar.

"There are more available insurance companies willing to insure fleets than there have been for the past two years."

In a third area, Runzheimer notes that "each model year brings new automotive innovations to U.S. consumers. In recent years we've witnessed port-fuel-injectors that practically make carburetors obsolete, while computers have taken over a vehicle's transmission and ignition systems.

"The 1987 model year has brought us two more advancements in automotive technology: anti-lock braking systems (ABS); and all-wheel drive."

ABS is one of the newest safety features offered on 1987 models. The system is designed to provide directional stability during severe braking, regardless of the cargo weight. A modulated reduction in rear brake-line pressure inhibits rear-wheel lockup under most braking conditions.

The all-wheel-drive system is designed to provide better traction under bad driving conditions. This option is a part-time four-wheel-drive and is not intended for off-road use. It is for use in inclement weather areas, especially in the north.

For 1987, it is available in certain Subaru models, the Toyota Tercel, the Mercury Topaz and Ford Tempo. ■

FEATURES

Show us where it Hertz

Los Angeles, San Francisco and New York once again are the most expensive cities in which to operate a car, according to Hertz Corp.

Costs to own and run typical 1986 compact cars in 20 top U.S. cities edged up an average of about 1 cent a mile — under 2 percent — to a record 52.53 cents from 1985's 51.59 cents, according to Hertz Corp.'s latest annual survey.

Expenses varied by 16.68 cents a mile among the 20 cities, with Los Angeles, San Francisco and New York City ranking one-two-three for the seventh straight year, the report said.

Some 17 of the 20 major geographically spread areas reflected increases in 1986, ranging from 0.2 cents per mile in Cleveland to 2.96 cents in Miami, according to the car-rental company. Only Cincinnati, Houston and St. Louis fell.

The rise in the big cities' average compares with a jump of 1.8 percent, or 0.8 cents a mile, in the 1986 overall 48.48 cents national average.

Auto expenses in large cities are normally higher than in small towns, or in suburban and rural areas, the firm noted.

Los Angeles again led the nation with outlays estimated at 63.25 cents a mile, up 0.5 cents from 1985. San Francisco remained second, at 63.17 cents. New York City again was third, rising 1.89 cents to 62.03 cents.

Milwaukee remained in last place at 46.57 cents a mile. St. Louis fell from seventh to ninth, dropping 1.83 cents to 51.58 cents. Atlanta surged 2.41 cents to eighth place, at 51.62 cents, from 11th in '85. Miami climbed 2.96 cents to fourth spot, at 58.01 cents, from fifth the previous year. Detroit rose 2.05 cents to 50.47 cents — from 14th to 10th.

The study showed advances in vehicle sticker prices, which affect depreciation, plus increases in insurance, licenses, fees, taxes and upkeep. These offset lower car-loan interest rates and gasoline prices.

See table 1 for 1986 and 1985 cent-per-mile costs and city rankings.

Hertz estimates are for normally equipped vehicles purchased new and driven 10,000 miles a year for five years by average new-car-buying families — including two parents and one youthful, inexperienced male driver.

Purchase price averages in 1986 ranged from a low of $10,244 in Detroit to $10,663 in New York.

The category of insurance, licensing and fees ranged from 10.87 cents a mile in Milwaukee to 27.66 cents in Los Angeles.

Estimated interest varied from 6.69 cents in Washington to 8.67 cents in New York.

Maintenance and repair ranged from 4.30 cents in Cincinnati to 6.58 cents in San Francisco.

Fuel and other service-station charges went from 5.76 cents in Cincinnati to 8.11 cents in San Francisco and Seattle.

See table 2 for Hertz' estimated 20-city averages by cost category for typical new 1986 and 1985 compacts.

Hertz noted that in the past 14 years, auto purchase prices went up 238 percent, and ownership and operating charges for comparable models comparably driven rose 200 percent, while inflation was 162 percent.

To reduce running expenses, motorists have been buying smaller models with fewer options, keeping their cars longer and driving them less, figures in the latest Hertz report show. Holding cars 10 years, rather than one, normally saves more than one-third in yearly ownership costs, for example.

Over the past 14 years of expense increases since 1972, average vehicle mileage dropped 14 percent, vehicle age rose 29 percent, and most typical new models now are about 1,000 pounds lighter and a foot shorter.

Estimated 29-city averages for other '86 models, also bought new and to be driven 10,000 miles a year for five years, were:

- **Subcompacts:** 43.80 cents a mile, off 1.2 percent from 44.32 cents in 1985.
- **Mid-size units:** 60.82 cents, up 19.1 percent from 51.06 cents in 1985.
- **Intermediates:** 59.21 cents, up 3.5 percent from 57.21 cents.
- **Standard-size:** 68.24 cents, about even with 1985's 68.20 cents.

Higher annual mileage lowers typical per-mile costs, but raises total annual spending; lower yearly mileage reverses this process.

Hertz estimates 1986 personal passenger-car mileage averaged 8,894 annually for all units, and was 10,520 yearly during a new car's first five years. ■

TABLE 1: CENT-PER-MILE COSTS AND CITY RANKINGS

RANK	CITY	1986	RANK	1985	RANK	CITY	1986	RANK	1985
1.	Los Angeles	63.15¢	1.	62.69¢	11.	Boston	50.32¢	10.	49.43¢
2.	San Francisco	63.17	2.	62.66	12.	Houston	50.13	8.	50.72
3.	New York City	62.03	3.	60.14	13.	Minneapolis	49.76	12.	48.85
4.	Miami	58.01	5.	55.05	14.	San Diego	49.58	13.	48.83
5.	Denver	57.41	4.	55.56	15.	Dallas	48.65	18.	46.96
6.	Chicago	55.35	6.	54.53		NATIONAL AVERAGE	48.48		47.64
7.	Seattle	52.60	9.	50.48	16.	Pittsburgh	47.85	15.	47.53
20	-CITY AVERAGE	52.53		51.59	17.	Cleveland	47.75	16.	47.48
8.	Atlanta	51.62	11.	49.21	18.	District of Columbia	47.35	19.	46.75
9.	St. Louis	51.58	7.	53.41	19.	Cincinnati	47.21	17.	47.48
10.	Detroit	50.47	14.	48.42	20.	Milwaukee	46.57	20.	46.26

TABLE 2: 20-CITY AVERAGE COSTS

1986	EXPENSE CATEGORY	1985	% Change
$10,435	Purchase Price, including tax (reflected in depreciation)	$9,847	+ 5.97
16.59¢	Depreciation	15.66¢	+ 5.94
16.54¢	Insurance, Licenses & Fees	15.09¢	+ 9.62
7.53¢	Interest Paid & Lost	8.54¢	−11.83
5.06¢	Maintenance & Repairs	4.57¢	+10.70
6.81¢	Gasoline & Other Service Station Charges	7.74¢	−12.02
52.53¢	TOTAL	51.59¢	+ 1.82

Hose Explosion

Car design, emission laws and space limitations all have contributed to the increase in hoses

Fleet service technicians know this as well as anyone: Rubber hoses are becoming as abundant on new cars as woofers, tweeters and computer chips.

Today's automobiles are draping their frames with an average of 16 rubber hoses per vehicle compared with four to five just 10 years ago.

"There are approximately 20 feet of hose on a new car," says Ron Maltarich, marketing manager for automotive belts and hoses at Goodyear Tire & Rubber Co.

"A new car in 1977 had an upper and lower radiator hose, heater hose and a fuel-line hose," Maltarich says.

"If someone ordered air-conditioning and power steering, those options added more hoses, but that was basically it."

But as cars have motored into the age of clean environment, they have seemingly added a hose instead of a candle for each year.

Increased awareness of the driver to aerodynamics and styling, new laws governing emission controls and space limitations have all contributed to the increase in the number of hoses.

"Even heater hose has become more sophisticated," Maltarich says. "What used to be a straight hose is now a molded-curved hose."

Indeed, the four- to five-hose car has gradually evolved into a machine resembling the human vein and artery network.

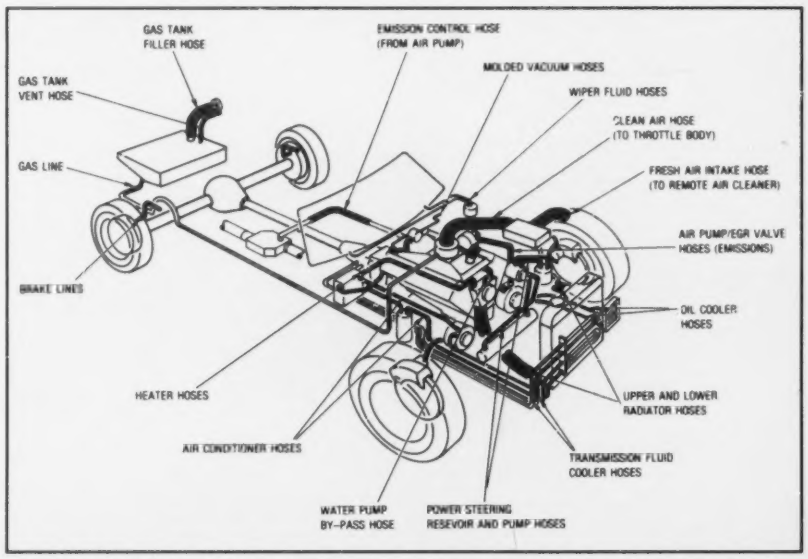
Besides the radiator, heater and fuel line hoses, today's new car might contain hoses for air management systems (emissions), fuel systems (fuel fill and fuel vent), clean-air duct, force-fed cold air, brakes, power steering and air conditioner (freon).

While federal legislation sped the evolution of some of the hose, aerodynamics and styling demanded the others.

"Because car bodies are designed more for aerodynamics and style, engine compartments are smaller," Maltarich says. "Subsequently, hoses must fit the engine curvature more closely."

Drivers also are realizing that air cleaners aren't on top of their engine any more.

"Many parts are in remote locations. These reservoirs still must be connected to the engine, and that means hoses," Maltarich says.


GAS TANK FILLER HOSE
EMISSION CONTROL HOSE (FROM AIR PUMP)
MOLDED VACUUM HOSES
GAS TANK VENT HOSE
WIPER FLUID HOSES
CLEAN AIR HOSE (TO THROTTLE BODY)
GAS LINE
FRESH AIR INTAKE HOSE (TO REMOTE AIR CLEANER)
AIR PUMP/EGR VALVE HOSES (EMISSIONS)
BRAKE LINES
OIL COOLER HOSES
HEATER HOSES
UPPER AND LOWER RADIATOR HOSES
AIR CONDITIONER HOSES
TRANSMISSION FLUID COOLER HOSES
WATER PUMP BY-PASS HOSE
POWER STEERING RESEVOIR AND PUMP HOSES

There are about 20 feet of hose on an average new car compared to five feet just 10 years ago.

While the average motorist — and fleet service technician — may have nightmares about the increasing number of hoses on cars, Maltarich says there's good news, too.

He points out: "We're making hoses that last a lot longer now. And we're so confident in our product that, for most applications, our hoses and belts should last the lifetime of the vehicle." ■

FEATURES

THE BIG SQUEEZE

Owning and operating a car gets tighter in 1986, as the cost for compacts rises to 48.48 cents per mile

Despite plunging gasoline prices and loan interest rates, 1986 auto ownership and operating expenses rose for the 13th year in the past 14, as typical compact models hit a record 48.48 cents a mile, up 1.8 percent or 0.8 cents from 1985's 47.64 cents.

This is according to Hertz Corp.'s latest annual estimates.

Since 1972, the last year before the first Arab oil embargo, outlays to own and run typical U.S. cars tripled, dropping 5.2 percent only in 1983.

By contrast, the nation's overall living costs climbed 162 percent in the same 14-year period, the rental-car company's report noted.

The survey lists 1986 increases in insurance, licenses, taxes, fees, maintenance, repairs and depreciation — the difference between car purchase price and resale value. These offset slight service-station and loan-cost declines. (Parking and tolls are excluded from the study's costs.)

Typical 1986 compact car purchase prices shot up nearly 6.2 percent to $10,439 from 1985's $9,834. Purchase price increases can boost depreciation, loan, tax and insurance outlays, the study points out.

The 1986 figure of 48.48 cents a mile is for a normally equipped compact make, bought new and driven 10,000 miles annually for five years — typical U.S. new-car driving.

Table 1 is a breakout of costs for compact cars purchased new and driven 10,000 miles a year for five years — in 1986 and 1985.

Automotive expenses differ significantly by vehicle size. optional equipment, annual mileage, ownership duration and where autos are driven.

In the report, mid-size models showed the sharpest advance, rising 19 percent to 56.13 cents a mile from 47.15 cents in 1985.

Standard-size autos stayed virtually even at 62.98 cents a mile, 56 percent above the subcompact's estimated cost, which fell 1.3 percent to 40.42 from 40.92 cents a mile.

Table 2 shows Hertz' recent per-mile cost estimates for different-sized cars bought new and driven 10,000 miles annually for five years.

New 1986 compacts driven 10,000 miles a year, but traded annually, cost 58.99 cents a mile, while those run 10,000 miles a year, for 10 years, averaged 37.71 cents a mile, some 21.28 cents under costs for annual trading, saving $21,280 over a car's 10-year, 100,000-mile lifespan, Hertz' study shows.

Table 3 is a breakdown of the yearly cost differences.

Also, used cars cost some 40 percent less than ones bought new.

Hertz data indicate that some three-quarters of all auto outlays for typical driving are in so-called "fixed" or "standing" expenses such as depreciation, interest, insurance, licenses, taxes and fees. These are largely influenced by the car's purchase price and how long the vehicle is driven.

TABLE 2: HERTZ 1978-1986 COST ESTIMATES BY CAR SIZE

CAR SIZE	1986	1985	% Change '86-'85	1984	1983	1982	1978	% Change '78-'86
Subcompact	.4042	.4092	– 1.22	.3663	.3463	.3418	.2252	+.795
COMPACT	.4848	.4764	1.76	.4567	.4328	.4467	.2485	+.951
Mid-Size	.5613	.4715	19.04	.4861	.4546	.4902	.2873	+.954
Intermediate	.5464	.5283	4.61	.5019	.4956	.5009	.2891	+.890
Standard	.6298	.6297	—	.5977	.5542	.5231	.3233	+.948
5-Size Average	.5253	.5018	4.68	.4817	.4567	.4605	.2747	+.831

TABLE 3: YEARLY COST DIFFERENCES, COMPACT CARS

Year	1	2	3	4	5	6	7	8	9	10
Cents Per Mile	.5899	.5596	.5268	.5014	.4848	.4524	.4278	.4074	.3907	.3771

TABLE 1: COMPACT CAR COSTS

	1986	1985	% Change
Depreciation	0.1660	0.1564	1.0614
Insurance, Licensing, Fees	0.1328	0.1193	1.1132
Interest (P&L)	0.0748	0.0849	–0.0614
FIXED COSTS, SUBTOTAL	0.3736	0.3606	1.0361
Maintenance & Repair	0.0453	0.0430	1.0535
Gas, Other Service Station Charges	0.0659	0.0728	–0.0948
VARIABLE COSTS, SUBTOTAL	0.1112	0.1158	–0.0397
FIXED & VARIABLE TOTALS	0.4848	0.4764	1.0176

"Variable" or "running" costs — such as gasoline, oil, maintenance, repairs, parts and accessories — comprise the remaining 25 percent of the expenditures.

Trading (or selling) a car sooner raises the "fixed" to "variable" cost ratio to about four-fifths of total charges, while keeping one longer usually lowers it to roughly two-thirds.

The Hertz data report that from 1972 to 1983 motorists drove less, kept cars longer and bought smaller vehicles with fewer options, to keep driving outlays within family incomes:

- From 1972 to 1983, average yearly passenger-car mileage dropped 22 percent from 10,362 to 8,037 miles before turning upward to 8,317 in 1984, 8,586 miles in 1985 and 8,894 last year.
- Compact cars, rather than intermediates, are now the most typical new models purchased.
- New cars are now kept an average of 5.2 years.
- Average age of all cars is now 7.6 years versus 5.7 in 1972.

The report stresses that variations in annual driving distances also have a material effect on cents-per-mile costs because annual fixed-dollar outlays are divided by more, or fewer, miles.

For the five-year driver, a new 1986 compact's costs ranged from 85.05 cents a mile at 5,000 miles a year to 30.83 cents at an annual 20,000 miles of driving — 55.22 cents a mile less.

However, on an annual dollar basis, 5,000 miles a year total just $4,252, while 20,000 miles a year come to $6,165 — $1,913 a year more.

The average driving distance for U.S. passenger cars in their first five years of service was 10,520 miles in 1985, latest year for which there are mileage figures.

Driving expenses can vary so dramatically under such a wide array of circumstances that each motorist should figure his or her own outlays, Hertz said.

For example, parking and tolls can add 10 to 40 cents to the 48.48 cents a mile average in major cities, but can vary substantially, even for similar autos in the same city, if driving patterns are different. ■

Georgia lessors seek to outlaw vehicle subleasing

By Robert H. Brown

Vehicle lessors in Georgia — and especially Atlanta — are lobbying for legislation that would make it illegal to sublease a leased car without the dealers' permission.

A law such as the one in California looks good to Georgia lessors, who say they are being taken for a ride by those who attempt to sublease the cars they have leased.

As many as 1,000 cars may have been subleased by "middle men" since last summer, according to J. David Dunaway, president of the Georgia branch of the National Vehicle Leasing Association (NVLA).

Subleasing isn't illegal in Georgia, but may be a little on the shady side of the law.

On the other hand, California lawmakers have drafted new laws that would make it a crime to sublease cars.

Lessors in Georgia have approached legislators about the possibility of getting similar legislation, but say that will not happen until next year. The Georgia general assembly has already met for 1987, and unless a special session is called, nothing is likely to happen this year to put a damper on subleasing.

As an interim measure, Georgia dealers have gone to the state Attorney General's Office and Office of Consumer Affairs. The offices have been asked to do some investigating to see if the practice can be halted, or at least discouraged.

According to the NVLA, there have been instances where leased cars have been sold without the lessor's notice, or even the lessee's.

Much of what is believed to be happening in Atlanta may have stemmed from a suit filed in nearby Gwinnett County. Lessors are watching the case closely.

In the suit, a consumer charged a local firm had illegally arranged to sublease a 1986 Audi 5000S.

According to the suit, Gerald K. Hubler accused Global International Brokerage Inc. of "false representations" in that the company told Hubler no problems had "cropped up" as a result of marketing leased automobiles to third parties.

Further, the suit charges Global knew the agreement between Hubler and a Miami man was contrary to Hubler's original contract with First National Bank of Atlanta.

However, Global, through its attorney, said in a communication to the Office of Consumer Affairs, that no wrong was committed, and that Global operates in good faith.

Because of a great deal of promotion by dealers — both exclusive lessors and dealerships — leasing has become quite popular in the Atlanta market. NVLA's Dunaway estimates something like a quarter-million leased cars may be operating on Georgia highways.

The idea of leasing caught on with young professional people who did not want to tie up large sums of money in car ownership.

However, while leasing has been attractive to many, the monthly payments have been higher than many could afford, and so they want out.

In Atlanta, dealers say, there are a lot of people who would like to get out of leases, and they are providing a steady source of supply for subleasing companies and individuals.

Dunaway said there may be as many as 900 to 1,000 cases of subleasing deals consummated.

Atlanta leasing companies are attempting to alert their customers about the hazards of subleasing vehicles. Some dealers have sent out letters to that effect.

Meanwhile, NVLA members are asking customers to stay away from persons offering to help them get out of leases.

A number of cases have come to light where cars were subleased and the sublessor failed to make payments to the original lessor. Then the lessor starts looking for his car, only to find it has been subleased. ■

FEATURE

Most fleet managers favor higher speed limit set by states, NAFA survey reveals

By Geoff Sundstrom

A majority of fleet managers support higher speed limits, even though significant numbers still believe 55 mph is fast enough for the nation's highways.

According to an NAFA survey, 64 percent of NAFA members favor a higher speed limit set by the states, while 33.5 percent support a 55-mph national speed limit.

NAFA said 597 fleet managers, or 47 percent of the association's membership, responded to the study.

The speed-limit survey was conducted just prior to April's Congressional vote, granting states the right to set higher speed limits on rural interstate highways.

NAFA's board of trustees asked members for their views, as part of the association's move to become more active in legislation affecting the fleet industry.

Results of the survey were sent to key leaders of the Senate and House of Representatives and were shared with NHTSA, according to NAFA.

"Fleet managers are very concerned about vehicle safety," said NAFA executive director David Lefever, "so the association staff was surprised that a majority supported higher speeds."

However, he added: "Fleet managers seem to be saying that speed is less a cause of highway accidents than are other factors."

Lefever cited alcohol abuse and driver fatigue as other major causes of traffic accidents.

He said fleet managers who prefer allowing states to increase speed limits on certain roads offered comments such as:

"The 55-mph limit on wide-open, uncongested highways is too slow."

"Nearly everyone now goes 65 mph on the interstates. Why not raise the speed limit and enforce it?"

"The decrease in injury rates is attributable to new company policies on seat-belt use, defensive driving and safety awareness; it is not attributable to the 55-mph speed limit."

"If the limit is increased, it should be strictly enforced. Drivers should not be allowed to travel 1 mph above the posted limit."

Four lines of thought were most prevalent among fleet managers who support a top speed of 55 mph, according to NAFA. Those are:

- "Sales and service people exceed the posted speed limits already. An increase in the speed limit would increase their speed, probably from 70 mph to 75 or 80 mph. It's much more desirable to travel 15 mph over the 55 mph limit than 15 mph over a 65 mph limit."
- "Control of the speed limit prevents accidents. Too much speed results in less control."
- "The average driver is not capable of handling emergency situations at higher speeds."
- "The public can travel farther on a gallon of gas at 55 mph than at 65 mph. A higher limit will produce increased reliance on imports of foreign petroleum."

Two fleet managers favored no federal regulation of speeds at all.

One said, "Get the federal government out of our lives as much as we can."

The other said, "As a police officer, I feel the 55-mph limit should be abolished, because most drivers are not obeying it, and the varying speeds they travel are causing more accidents than high speeds are."

Fleet size did not make much difference in the opinions of fleet managers.

Fleet managers supporting the current nationwide speed limit averaged 1,069 vehicles in their fleet.

Those supporting state options in rural areas averaged 1,008 vehicles, while managers seeking an end to federal limits averaged 943 vehicles. ■

55 MPH SURVEY RESULTS

	RETAIN 55 MPH LIMIT ON ALL ROADWAYS	INCREASE LIMIT ON SOME ROADS	STATE TO SET LIMITS ON ITS ROADS
NUMBER OF FLEET MANAGERS IN FAVOR	202	258	137
PERCENT OF FLEET MANAGERS IN FAVOR	33.8	43.2	23
NUMBER OF LOCAL FLEETS IN FAVOR	47	62	50
NUMBER OF REGIONAL FLEETS IN FAVOR	23	41	16
NUMBER OF NATIONAL FLEETS IN FAVOR	132	155	71
TOTAL NUMBER OF VEHICLES IN FLEETS FAVORING	215,879	259,970	129,247
AVERAGE NUMBER OF VEHICLES IN FLEETS FAVORING	1,069	1,008	943

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American Motors

April 28 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

April 29 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

April 30 — Kansas City special A/J/R dealer-only sale, Kansas City, Mo.; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

April 28 — American Auto Auction, Walpole, Mass.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Golden Gate Auto Auction, Fremont, Calif.

April 29 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and SW Auto Auction, Phoenix, Ariz.

April 30 — Clanton's Auto Auction, Darlington, S.C., and Northway Exchange Auto Auction, Clifton Park, N.Y.

Ford Motor Co.

April 28 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction.

April 29 — Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

April 30 — Nashville Auto Auction, Nashville, Tenn.

General Motors

April 28 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and 166 Auto Auction, Springfield, Mo.

April 29 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auction, Omaha, Neb.

April 30 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

April to date	$5,823
Month ago	$5,822
Year ago	$5,076

Model Breakdown
Auction Averages

	APR 1987	MAR 1987	FEB 1987
1987	$13,796	$13,443	$13,406
1986	$9,466	$9,609	$10,038
1985	$7,260	$7,305	$7,382
1984	$5,744	$5,825	$5,940
1983	$4,852	$4,860	$4,843
1982	$3,735	$3,755	$3,628
1981	$2,624	$2,643	$2,537
1980	$2,175	$2,155	$2,167
Overall Average	$5,823	$5,829	$5,711

BMW Museum
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Reliant names new chief, seeks U.S. sales partner

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Reliant Motor, the British specialty-car maker, has a new managing director and is seeking a North American partner to help distribute its open-top Scimitar two-seater in the United States.

Cyril Burton, a Reliant director since 1974, has been named managing director of the company, which produces the Michelotti-designed Scimitar and the Rialto three-wheeled vehicle. It also produces Ford RS200 rally cars on a contract basis.

Burton, who previously served as commercial and export director, replaces Ritchie Spencer, Reliant's managing director for the past 10 years. Spencer left to join GKN, a British engineering and industrial group and major auto industry supplier.

Spencer has said he was recruited by GKN and that his leaving was unrelated to conditions at Reliant, which has lost money for the past two years. He said Reliant has been operating profitably in recent months and reducing its debt load.

Michael Bennett, Reliant marketing director, said there are no plans to enter the North American market until the company finds a partner to share the expense of the project.

"Various people have expressed an interest," he said, "but we're insistent that it has to be a partnership interest. It is beyond the resources of this company to do the engineering and homologation work that is necessary. That is an enormous task for a company our size to undertake. We feel we have to have a greater commitment."

Though discussions have been under way, Bennett said no deal is imminent.

"We're not ready to toss a coin and say let's go," he said, adding that it is doubtful a partnership agreement can be concluded by the end of the year.

Spencer last year cited exchange rates and high product-liability insurance costs in the United States as reasons for delaying the planned launch of the Scimitar 1800Ti for the 1987 model year.

He said an annual insurance bill of more than $750,000 was difficult to justify in view of Reliant's projected annual U.S. volume of 500 units and estimated sale price of about $16,000. The Scimitar 1800Ti retails in Britain at 10,300 pounds, or $16,480 at current exchange rates.

Last year, Reliant sold about 2,500 Rialto three-wheelers — 2,350 in the United Kingdom and another 150 to export markets. Sales of the Rialto, introduced in 1982, have been steady in recent years, but are down from the early-1970s heyday for three-wheelers. Reliant sold 15,000 three-wheeled cars in 1972.

The Scimitar, Reliant's moderately priced sports car in the tradition of British Leyland's two-place Triumph and MG roadsters, suffered a sales decline in 1986. Reliant sold 277 Scimitars in the United Kingdom and another 55 to export markets. In 1985, following the car's debut in the fall of 1984, Reliant sold 547 Scimitars in the United Kingdom.

Sales fell off last year as customers sought more performance than was offered by versions powered by 1.6-liter Ford CVH engines, Bennett said.

The top-of-the-line 1800Ti turbocharged model, using Nissan's 1.8-liter Silvia Turbo engine, did not appear until last June, restricting 1986 volume, he said.

Reliant is now producing about 10 Scimitars a week at its factory in Tamworth, Staffordshire. It is counting on selling about 400 units in the United Kingdom this year and exporting another 150 to Japan, Germany, Switzerland and, beginning in May, to France. Reliant also sells a few cars in such locales as Hong Kong, where United Kingdom specifications apply.

Reliant reported an operating profit of $267,200 for the fiscal year ended Sept. 30, compared with a $486,400 loss before servicing debt the previous year. Overall, interest payments of $540,800 and a $4,800 tax debit in fiscal 1986 pulled the company $278,400 into the red, compared with a loss of $1.03 million after taxes in fiscal 1985. Reliant achieved a net profit in each of the three previous fiscal years.

The company registered a profit of $38,400, after interest payments, for the last six months of the 1986 fiscal year.

On the strength of the Rialto, Reliant sales revenue for the 1986 fiscal year increased slightly, to $22.9 million from $22.8 million.

The company also reduced its bank debt in 1986 by $1.4 million — to $3.2 million. Company officials have predicted a further decline this year.

The company's 1986 results also reflected an extraordinary debit of $483,200. That charge consisted of $724,800 in redundancy and reorganization costs, which were partially offset by a $241,600 profit from the sale of various properties.

LAMBO

FROM PAGE 1

Lamborghini factory here was watched by workers, local dignitaries and passing members of the public.

Repeated questions about the price paid by Chrysler were deflected, but the rumored figure is around $30 million. It is not known whether that figure includes the product and facility expansion plans sketched out by the new owners.

Technically, what Chrysler is buying is a Dutch-registered company, Micooperan BVH, through which the Franco-Swiss Mimrans had 100 percent control of Lamborghini.

The share capital of Lamborghini is 3.8 billion lire, or about $2.9 million at current exchange rates. Sales last year were 27 billion lire ($20.8 million), compared with 25 billion lire the previous year.

Lamborghini is said to have made a small profit last year and has been at about breakeven since Patrick, Jean-Claude and Robert Mimran bought the company seven years ago. But the Mimrans felt that a family company could not provide the financial commitment required to expand and develop the business. It needed a major company with proper financial muscle.

Initial contacts between Patrick Mimran and Greenwald took place in Detroit in November 1985. The proposal at that time was for Lamborghini and Chrysler to jointly develop a car that would be sold primarily in the United States by Chrysler.

The talks developed to the point at which Mimran offered to sell 40 percent of the stock in Lamborghini to Chrysler. But Chrysler wanted to hold a controlling majority.

As talks continued, news of the proposed sale leaked out earlier this year, although the precise details of the sale were not agreed upon until 2 a.m. last Thursday — a few hours before the official announcement.

Greenwald said the purchase will not affect Chrysler's relationship with Maserati, another famous manufacturer of sports cars, based in nearby Modena. Chrysler owns 15.6 percent of Maserati and has an option to increase that to 51 percent by 1995.

However, Greenwald said he did envisage Maserati producing some components for Lamborghini on a subcontract basis. In all other respects, the two companies will be run separately, he said.

Similarly, Chrysler will offer Lamborghini exchange of components, including electronics, and use of its test facilities and proving ground.

Indeed, Greenwald declared that day-to-day management at Lamborghini will be left entirely to the current staff, General Manager Emil Novaro and Managing Director Giulio Alfieri. The so-far-un-named Chrysler executive who will join Lamborghini's board will not be directly involved in the management of the company.

At present, Lamborghini employs 320 people. Last year, it made 270 cars but output this year will increase to about 450 vehicles — 220 Countachs, 70 Jalpas and 160 of the LM002 luxury off-roaders that went into production last year. The company recently began producing marine versions of its V-12 engine.

The highest annual volume it ever attained was 650 cars in the late 1970s.

But Italian sources said that Chrysler has earmarked Lamborghini for substantial expansion during the next five years, including annual volume as high as 5,000.

An important element of that will be a new model with a mid-mounted V-8 that will appear in three years. It is regarded as a likely replacement for the Jalpa, which it will resemble in size, specification and performance.

In addition, Greenwald said that the LM002 was a plus for Chrysler in the agreement. Unlike the Jalpa and Countach, the so-called Rambo Lambo has not so far been been approved for U.S. sale.

A replacement for the Countach is regarded as a lesser priority. Only 1,100 of the $127,000 high-speed two-seaters have been produced since it was introduced in 1974.

There is plenty of room for expansion of the Lamborghini facility. At present, only about one-fourth of the 947,000-square-foot site is covered by factory buildings.

Greenwald said that Lamborghinis will be sold in the United States through a combination of "the most qualified" Chrysler Motors dealers and other specialized-car dealers.

The 150 Lamborghinis sold in the United States last year were distributed by a privately owned company, Lamborghini East, headquartered in North Bergen, N.J.

Lamborghini East President Joe Nastasi said he bought the rights to distribute the cars east of the Mississippi River plus Texas in June 1985. Lamborghini East has dealers in Illinois, Maryland, New Jersey, Rhode Island, Pennsylvania, Florida, Texas and Puerto Rico.

Nastasi, who was out of the country last week, told Automotive News earlier this year that he plans to import 200 vehicles this year.

The issue of distribution rights on the West Coast is in litigation. Lamborghini West, headquartered in Beverly Hills, Calif., distributed cars in California and Arizona until the beginning of 1986.

The Lamborghini sports-car company was founded in 1963 by Ferruccio Lamborghini, an industrialist who established a successful agricultural-tractor-making business. He is said to have begun the sports-car concern after complaining about the quality and reliability of his Ferrari to Enzo Ferrari and being treated in an offhand manner.

Lamborghini was forced to sell the sports-car company after the tractor business got into difficulties in the early 1970s. The tractor business was eventually taken over by a Fiat company, but the sports-car operation had a number of difficult years under various managements in the late 1970s. That continued until some stability was introduced with the purchase by the Mimrans in 1980.

PATENT

FROM PAGE 1

of no challenges to date in the United States since a 4ws car has not been introduced. Both indicated that their respective companies will probably await the outcome of any disputes in Japan before taking up the fight here.

A spokesman for American Honda said the dispute in Japan has not affected the company's plans to market such a system in the United States on the 1988 model. No date has been set for introduction. The car was introduced earlier this month in Japan.

A Mazda spokesman said, "We expect to introduce it to the Japanese market this summer and later this fall in the United States." He added the situation in Japan has not changed those plans. The system will be offered as an option on the company's all-new 626 series.

Although Nissan and Toyota are actively pursuing 4ws technology, they have no immediate plans to offer it as an option on U.S. models.

In Japan, the five manufacturers involved in the dispute are seeking 4ws patents from the Japanese patent office. Some have hinted that additional complaints will be filed against others, charging infringements on their systems.

A Honda spokesman in Japan said the company applied for patents in several countries on Dec. 29, 1978 for two 4ws systems — a steer angle-dependent system and a speed-response system.

He said patents for the steer angle-dependent 4ws were granted to Honda by the United States on Oct. 20, 1982; Great Britain, June 15, 1983; West Germany, Nov. 22, 1984; France, May 24, 1985; and Japan, May 29, 1986.

The steer angle-dependent 4ws system is offered by Honda on its new Prelude Si and XX models that went on sale in Japan.

The Honda spokesman in Japan also said Honda was granted patents for the speed-response system by the United States on Feb. 2, 1982; Great Britain, June 15, 1983; and France, May 24, 1985.

According to that spokesman, Honda has not received patents for the second system from Japan and West Germany.

Toyota, Nissan and Mazda, in their complaint to the Japanese government, claimed that the speed-response system — on which Japan has not granted a patent — can be conceived by any automaker.

Although the automakers involved would not elaborate on their complaints against Honda, industry analysts said the speed-response 4ws system will become the industry norm in the future. Toyota, Nissan and Mazda, which have been developing their own systems, do not want Honda to have exclusive rights to the 4ws because Honda's patent applications covered a microcomputer-controlled version.

Since most automobile mechanisms can be controlled by a microcomputer, the three automakers apparently fear that if patents on the microcomputer-controlled 4ws are granted to Honda, their 4ws systems and various other control systems could infringe Honda's patents.

Mazda recently introduced its speed-sensing 4ws that electronically controls the steering direction and angle of the rear wheels in response to vehicle speeds.

Mazda said it has applied for more than 200 patents for the system, which will be featured on its new Capella (626) model to be introduced May 8 in Tokyo. A Capella-based car will be produced this fall by Mazda at its new assembly plant in Flat Rock, Mich.

Toyota said the 4ws concept was introduced on its FXV experimental model at the 1985 Tokyo Motor Show.

A Toyota spokesman said the company has applied for "quite a few patents" for the system with the Japanese patent office since 1985. He said the company also has filed infringement complaints but would not identify the companies named in the complaints.

Nissan claims it was the first to introduce 4ws, called HICAS (high capacity actively controlled suspension), on its Skyline model in August 1985. It also has applied for patents.

According to a Nissan spokesman, Mitsubishi has infringed on some features of its system, but he said that Nissan "has not decided what its is going to do about it."

The Nissan spokesman said Mitsubishi's system infringes in the areas of "steering sensitive efforts and picking up speed from the differential for rear-wheel steering."

Mitsubishi recently unveiled a 4ws system which, it said, integrates four-wheel-drive, four-wheel steering and four-wheel independent suspension systems. The system, MMC said, will be featured in its next-generation vehicles.

A Mitsubishi spokesman said the company was not filing any patent complaints against any auto companies "at this time."

Automotive News Staff Reporter Matt DeLorenzo in Washington contributed to this report.

CENSUS

FROM PAGE 1

U.S. FRANCHISES

	Apr. 1, 1987	Jan. 1, 1987
AMC-RENAULT		
AMC	1,300	1,309
Renault	1,250	1,258
CHRYSLER CORP.		
Chrysler	3,078	3,064
Dodge	2,975	2,960
Plymouth	3,046	3,033
FORD MOTOR CO.		
Ford	4,807	4,616
Lincoln	1,623	1,617
Mercury	2,749	2,751
GENERAL MOTORS		
Buick	2,945	2,950
Cadillac	1,615	1,615
Chevrolet	4,945	4,975
Oldsmobile	3,170	3,175
Pontiac	2,975	2,975
VOLKSWAGEN U.S.	880	878

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U.S. CAR OUTLETS

	Apr. 1, 1987	Jan. 1, 1987
American Motors-Renault	1,337	1,349
Chrysler Corp.	4,037	4,023
Ford Motor Co.	5,451	5,460
General Motors	9,630	9,680
Volkswagen U.S.	880	878
TOTALS	21,335	21,390
Minus Intercorporate Duals	976	985
NET OUTLETS	20,359	20,405

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All four of the U.S.-based manufacturers offer captive imports. Captives are foreign cars whose U.S. distribution is controlled by a U.S. maker. Volkswagen United States sells both U.S.-built and imported VWs. In addition, many domestic dealers sell an independent import, in some cases along with their captive line.

In the first quarter, General Motors was responsible for the downturn in dealerships with a decline of 50 establishments. Elsewhere, the domestic manufacturers were pretty stable.

Chrysler Motors reported a gain of 14 dealerships, and VW was up two. Ford Motor Co. was down nine, and American Motors-Renault lost 12 outlets during the quarter. A change in the number of intercorporate duals brought the overall slip to 46.

All figures in this article and in the accompanying tables indicate the net change in the dealer population, both for the individual corporations and car lines and for the domestic industry as a whole.

Chrysler's increase was its 16th in the last 18 quarters. Another quarter in that span resulted in no change, and only one showed a drop. During those 18 quarters — starting in October 1982 — Chrysler has added 408 dealers.

Volkswagen's upturn was its second quarterly advance in a row. VW's dealer total has gained or held steady in five of the last six quarters.

On the franchise side, the first quarter saw gains for each of the Chrysler Motors makes and for Lincoln and VW. The Chrysler increases were uniform — 15 for Dodge, 13 for Plymouth and 12 for Chrysler. Lincoln added six franchises, and VW added two.

Chevrolet had a decline of 30 franchises. Cadillac and Pontiac were unchanged during the period, and dips ranged from two to nine for Mercury, Buick, Oldsmobile, Renault, AMC and Ford.

Chrysler Motors' addition of 14 dealerships was its best first-quarter showing since 1984. Its total of 4,037 car outlets is its highest since mid-1980 — before the dawn of the Iacocca era.

Chrysler also has three dealerships that handle only Dodge trucks. They are not counted in the corporation's car-dealer total or in the Dodge car-franchise total.

Ford Motor's loss of nine locations was lighter than last year's first-quarter dip of 16.

Ford has 112 dealerships that sell only Ford heavy-duty trucks. They are excluded from the company's car-dealership count and from Ford Division's franchise total.

GM, with 9,630, has nearly half of the nation's domestic-car dealers. Its first-quarter dip of 50 was its heaviest for that period since 1983 (also down 50), but it amounted to just one-half of one percent of GM car-dealer total.

GM's corporate dealer count is 10,180, including GMC truck outlets that do not handle any of the corporations's car lines.

The AMC-Renault dealership total of 1,337 includes 1,213 that handle both makes. AMC has 723 duals with Big Three cars, and Renault is included in 92 percent of them.

The AMC-Renault-Jeep dealership total on April 1 was 1,459, including Jeep outlets that do not handle either of the company's car lines.

Volkswagen U.S. has an estimated 170 duals with Big Three cars and with AMC-Renault.

Looking back a year, the total of 20,359 domestic-car dealerships is down 289 from the 20,648 in operation on April 1, 1986. Chrysler added 32 outlets during the 12-month period, and VW was up three.

There were dips of 195 for GM, 83 for AMC-Renault and 50 for Ford Motor Co. A change of four in the number of intercorporate duals brought the decline for the industry to 289.

PRODUCTION

Car output moves up

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Auto production in the United States remained at a low level last week as most assembly plants worked only four days because of a holiday.

Car output was targeted at 133,634 units last week. 4.76 percent more than the previous week's 127,561. The prior week's build also was trimmed by a holiday.

Last week's production was 19.57 percent below the year-ago week's 166,146.

Companies split last week's scheduled production as follows: General Motors, 51.27 percent; Ford Motor Co., 24.72 percent; Chrysler Motors, 12.95 percent; Honda of America Manufacturing Inc., 4.98 percent; New United Motor Manufacturing Inc., 2.24 percent; Nissan Motor Manufacturing Co. U.S.A., 2.19 percent; Volkswagen of America, 1.20 percent; and American Motors, 0.45 percent.

Volkswagen's plant in Westmoreland, Pa., is down this week (April 27) for inventory adjustment, affecting about 1,600 workers. The plant is expected to resume output on May 11.

GM reported that no Cadillac Cimarrons were built last week, and only 53 units are scheduled this week. A company spokesperson said the shutdown and reduction at GM's Janesville, Wis., plant are the result of high inventory. No date was given for Cimarron's return to full line speed.

GM's Leeds, Mo., plant is idle this week for inventory adjustment, affecting 2,000 workers. The plant is expected to resume operations May 11.

GM's Oklahoma City plant resumed production last week (April 20). The plant was idle for one week for inventory adjustment.

Saturday (April 25) overtime was slated for GM's No. 1 plant in Lansing, Mich.

Ford slated Saturday overtime at its Dearborn, Mich., plant.

All Ford car plants are scheduled for daily overtime this week.

Chrysler's Sterling Heights, Mich., plant was slated for Saturday overtime. That plant and the Newark, Del.; and St. Louis plants are scheduled for daily overtime this week.

Week's truck production dips 5%

Domestic truck production was scheduled at 63,943 units last week, 5.10 percent below the previous week's 67,378.

Each week included a holiday, although General Motors slated overtime at five plants last Saturday (April 25).

Last week's build was 13.00 percent below the year-ago week's 73,501.

GM slated Saturday overtime at the Baltimore; Detroit; Flint, Mich.; Lordstown, Ohio; and Pontiac, Mich. (medium-duty line) plants.

No Saturday overtime was scheduled at Ford Motor Co. truck plants.

Ford has slated daily overtime this week (April 27) at all of its truck plants.

Canada truck build is year's best

Canadian truckmakers last week scheduled their highest week's production so far this year.

The estimate was 19,112 trucks, 48.30 percent more than the previous week's 12,887. Plants worked only four days the previous week because of the Easter holiday.

Last week's scheduled truck output was 0.84 percent below the year-ago week's 19,273.

Auto production totaled 17,860 last week, 23.15 percent more than the holiday week's 14,503.

Last week's scheduled build was 29.75 percent below the year-ago week's 25,422.

CANADIAN CAR	Week Ended April 25, 1987	Week Ended April 26, 1986	Week Ended April 18, 1987	April to Date	Jan. 1 to April 25, 1986	Jan. 1 to April 25, 1987
AMERICAN MOTORS	100	115	86	379	2,013	2,211
FORD MOTOR	11,665	11,404	9,663	39,221	184,651	170,684
GENERAL MOTORS	5,600	13,676	4,406	11,375	185,667	92,280
HONDA	270	0	168	779	0	662
VOLVO	225	225	180	765	3,571	3,330
Total Cars, Canada	17,860	25,422	14,503	52,518	375,902	269,147

U.S. TRUCK☆	Week Ended April 25, 1987	Week Ended April 26, 1986	Week Ended April 18, 1987	April to Date	Jan. 1 to April 26, 1986	Jan. 1 to April 25, 1987
CHEVROLET	18,066	24,392	21,142	74,790	406,901	357,890
DODGE	3,600	1,734	4,667	17,312	5,094	77,871
FORD	25,786	30,048	25,593	102,056	483,000	485,848
GMC	6,886	7,306	6,751	26,439	121,882	117,829
NAVISTAR	1,600	1,606	1,344	5,556	24,900	23,996
JEEP	3,525	2,943	3,495	14,122	66,691	70,029
NISSAN	1,730	3,340	1,436	5,930	30,467	26,425
AM GENERAL*	450	50	450	1,350	822	1,950
MISCELLANEOUS*	2,300	2,000	2,300	9,260	37,000	34,500
Total Trucks, U.S.	63,943	73,501	67,378	255,926	1,178,737	1,197,340

CANADIAN TRUCK	Week Ended April 25, 1987	Week Ended April 26, 1986	Week Ended April 18, 1987	April to Date	Jan. 1 to April 26, 1986	Jan. 1 to April 25, 1987
AMERICAN MOTORS	750	855	812	2,481	5,768	9,974
CHRYSLER	8,494	8,315	5,887	28,162	145,108	133,888
FORD	3,648	3,648	2,676	11,517	58,193	50,015
GENERAL MOTORS	6,015	6,213	3,540	18,066	100,262	61,972
NAVISTAR	205	242	162	691	3,244	3,014
Total Trucks, Canada	19,112	19,273	12,887	60,916	312,573	258,864
N. American Trucks	83,055	92,774	80,265	316,844	1,491,310	1,456,204

— Includes sedans not production. *—Estimated
Also includes commercial only. AM General includes government-destined vehicles
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Weekly estimates may contain some of two or three weeks' scheduling

U.S. CAR	Week Ended April 25, 1987	Week Ended April 26, 1986	Week Ended April 18, 1987	April to Date	Jan. 1 to April 26, 1986	Jan. 1 to April 25, 1987
AMERICAN MOTORS	600	1,980	680	2,449	16,563	10,627
Renault Total	600	1,980	680	2,449	16,563	10,627
Alliance	600	1,724	680	2,449	14,421	10,627
Encore	0	256	0	0	2,142	0
CHRYSLER MOTORS	17,300	25,750	16,998	73,867	474,363	377,896
Plymouth Total	4,300	6,800	4,201	18,404	132,866	128,132
Horizon	0	3,774	0	0	59,125	32,987
Sundance	1,700	0	1,544	7,367	0	35,535
Reliant	1,600	3,450	1,792	7,371	58,181	40,377
Caravelle	700	96	777	3,276	10,337	18,662
Gran Fury	100	453	88	391	5,223	599
Chrysler Total	7,300	7,316	7,156	36,150	168,291	110,896
Laser	0	905	0	0	18,512	0
LeBaron K	1,100	2,351	1,227	5,523	40,268	28,905
LeBaron J	3,000	0	2,480	10,035	0	31,186
LeBaron GTS	700	0	703	3,199	28,930	13,516
New Yorker/E-Class	1,400	1,517	1,586	6,337	33,320	28,789
Fifth Avenue	1,100	2,545	1,132	4,543	47,261	8,918
Dodge Total	5,700	9,772	5,639	25,113	175,196	136,659
Daytona	1,100	1,275	1,227	4,928	17,212	15,490
Omni	0	3,657	0	0	50,864	28,365
Shadow	1,900	0	1,671	7,986	0	33,230
Aries	1,500	2,237	1,499	6,680	42,900	35,525
Dodge 600	700	1,744	774	3,249	28,950	16,506
Lancer	400	0	311	1,677	24,637	8,850
Diplomat	100	849	157	592	13,613	572
FORD MOTOR	33,033	39,658	34,398	136,936	801,882	645,005
Ford Division	23,694	27,270	24,865	98,554	410,593	449,292
Escort	5,710	6,292	6,712	25,584	133,305	117,109
Mustang	4,361	4,214	3,629	15,661	69,213	70,759
Tempo	3,232	4,113	3,244	13,261	69,076	82,805
Taurus	7,193	7,035	7,964	30,799	85,809	148,798
Thunderbird	3,198	3,616	3,316	13,230	52,330	49,821
L-M Division	9,339	12,388	9,531	38,383	191,299	196,713
Mercury Total	6,059	8,998	6,251	25,283	129,689	139,079
Lynx	510	1,159	602	2,452	21,632	17,494
Capri	0	386	0	0	5,827	0
Topaz	1,122	1,317	1,185	4,354	21,503	19,139
Cougar	2,170	2,432	2,176	8,959	39,631	54,752
Sable	2,217	3,405	2,308	9,499	41,096	46,694
Lincoln Total	3,280	3,690	3,280	13,120	61,610	58,634
Continental	328	413	328	1,316	7,000	5,870
Lincoln	2,462	2,766	2,461	9,844	46,217	43,975
Mark VII	490	511	491	1,961	8,393	8,789
GENERAL MOTORS	69,531	89,628	69,449	288,388	1,508,525	1,229,839
Buick Total	11,539	18,645	9,407	38,288	246,039	197,749
Skyhawk	836	1,787	446	2,371	29,325	13,782
Century	4,044	5,838	1,312	11,414	82,600	62,127
Regal	575	1,466	906	2,366	15,896	14,042
Somerset/Skylark	1,560	2,433	1,536	4,900	33,077	25,813
LeSabre (fwd)	1,934	2,730	2,811	10,434	35,137	37,009
LeSabre/Electra (rwd)	240	276	249	884	4,530	4,350
Electra (fwd)	2,080	1,535	1,994	5,493	38,253	34,369
Riviera	190	580	183	506	7,221	6,077
Cadillac Total	5,237	7,303	3,771	10,229	103,459	103,776
Cimarron	53	634	0	204	8,701	5,668
Allante	124	0	67	355	0	935
Brougham (rwd)	960	1,994	668	3,587	27,801	26,667
DeVille (fwd)	3,200	3,585	2,458	12,089	53,831	58,982
Eldorado	474	556	293	1,036	7,273	5,401
Seville	426	534	287	958	5,853	8,121
Chevrolet Total	23,300	28,385	25,167	102,588	480,255	456,029
Chevette	0	2,400	0	0	40,902	0
Camaro	2,600	5,388	2,611	10,320	72,189	33,624
Cavalier	6,000	8,767	6,825	28,739	143,181	117,579
Celebrity	2,500	5,287	2,205	17,441	101,728	116,344
Corsica/Beretta	6,500	0	7,195	23,742	0	94,917
Monte Carlo	1,100	2,140	1,436	5,070	39,869	22,029
Chevrolet	4,000	3,772	4,383	17,112	83,537	72,816
Corvette	600	631	512	2,142	8,849	9,721
Oldsmobile Total	13,906	20,950	11,580	46,807	367,050	232,313
Firenza	520	716	398	1,829	18,173	3,396
Calais	2,280	2,277	2,389	7,584	46,322	36,394
Cutlass Ciera	2,986	4,395	661	9,410	93,839	58,316
Cutlass Supreme	2,619	2,637	2,576	8,021	65,239	21,454
88 (fwd)	3,703	8,343	3,260	12,983	107,289	70,336
88 (rwd)	380	353	335	1,434	7,805	6,109
Olds 98	959	1,799	1,393	4,546	43,269	27,395
Toronado	457	428	308	989	5,334	5,313
Pontiac Total	14,549	16,537	13,514	52,518	279,722	237,972
Acadian*	0	609	0	0	4,899	0
Fiero	957	0	853	1,810	27,020	11,805
1000	0	968	0	0	9,122	0
Firebird	1,708	2,895	1,743	6,756	38,607	26,365
2000 Sunbird	1,956	3,035	1,935	7,978	47,344	38,685
Grand Am	5,036	4,819	4,159	19,072	72,981	81,849
6000	2,112	2,716	2,058	5,701	51,182	27,553
Bonneville	2,520	0	2,504	9,979	0	47,390
Safari/Parisienne	260	1,405	262	1,221	28,567	4,324
HONDA	6,650	3,876	5,290	22,821	60,176	105,738
Civic	1,620	0	1,331	5,531	0	33,929
Accord	5,030	3,876	3,959	17,290	60,176	71,809
NISSAN	2,920	0	2,407	9,992	21,517	44,594
NUMMI	3,000	3,070	2,772	12,333	58,708	60,667
Corolla	600	0	565	2,488	0	12,410
Nova	2,400	3,070	2,207	9,841	58,708	48,257
VOLKSWAGEN	1,600	1,991	1,829	6,368	28,619	25,947
Golf/GTI	1,350	1,991	1,379	5,468	28,619	21,497
Jetta	250	0	250	900	0	4,450
Total Cars, U.S.	133,634	166,146	127,561	522,954	2,708,353	2,500,243
Total Cars, Canada	17,860	25,422	14,503	52,518	375,902	269,147
N. American Cars	151,494	191,568	142,064	575,472	3,144,255	2,769,390
N. American Trucks	83,055	92,774	80,265	316,844	1,491,310	1,456,204
North American Cars and Trucks	234,549	284,342	222,329	892,316	4,635,565	4,225,594

— All Acadians are built for sale in Canada.
Weekly estimates may contain some of two or three weeks' scheduling

High stocks may idle GM 'E' plant for 10 weeks

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Swollen dealer stocks and sluggish sales of General Motors E-body cars have prompted GM to plan a 10-week model changeover at the Detroit-Hamtramck assembly plant.

The E-cars are the Oldsmobile Toronado, Buick Riviera and Cadillac Eldorado.

The K-body Cadillac Seville line is likely to be down for the entire E-body changeover, although the V-body Cadillac Allante line could have less downtime.

A week to two weeks is the normal changeover period for plants building cars that do not have major model-year-to-model-year changes. Although the 1989 Eldorado will get more than just a facelift, the extended changeover period is primarily due to sluggish sales.

In addition, a source at the plant said Detroit-Hamtramck officials, apparently acting on their own initiative, already are considering a plan that would extend the year-end holiday three extra weeks, until Jan. 25, in anticipation of the need to adjust 1988 model output at mid-year.

Those tentative plant-level plans do not seem to take into consideration a possible strike by the UAW or changes in the production rate — if any — at the start-up of the 1988 model year.

A spokesman for GM's Buick-Oldsmobile-Cadillac Group, which operates the plant, said the corporate scheduling committee has not finalized model changeover schedules and is not likely to do so until about June 1.

The scheduling committee, which meets at least once a month, is responsible for approving production schedules. The committee acts on recommendations that originate with the divisions and are forwarded to the groups.

Normally, the scheduling committee works only 60 or 90 days ahead, the B-O-C spokesman said, fine-tuning quarterly schedules on a monthly basis.

Detroit-Hamtramck is the sole source of Eldorado, Riviera, Toronado, Seville and Allante.

On April 1, there were some 21,400 unsold K- and E-cars, equal to a 97-day supply of Toronados, a 69-day supply of Rivieras, a 67-day supply of Sevilles and a 112-day supply of Eldorados.

Since the beginning of the 1987 model year, the Detroit-Hamtramck plant has been closed completely or partially just two weeks for inventory adjustment.

OBITUARIES

Irving Woodin

MONTICELLO, N.Y. — Irving Woodin, 76, former owner and president of Queensbury Motors, died here April 14.

John A. Rooney

BOSTON — John A. Rooney, 79, longtime automobile editor of the old Boston Herald-Traveler, died April 14.

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April 29, 1987

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1987 MARKET DATA BOOK

PRODUCTION ■ SALES/REGISTRATIONS
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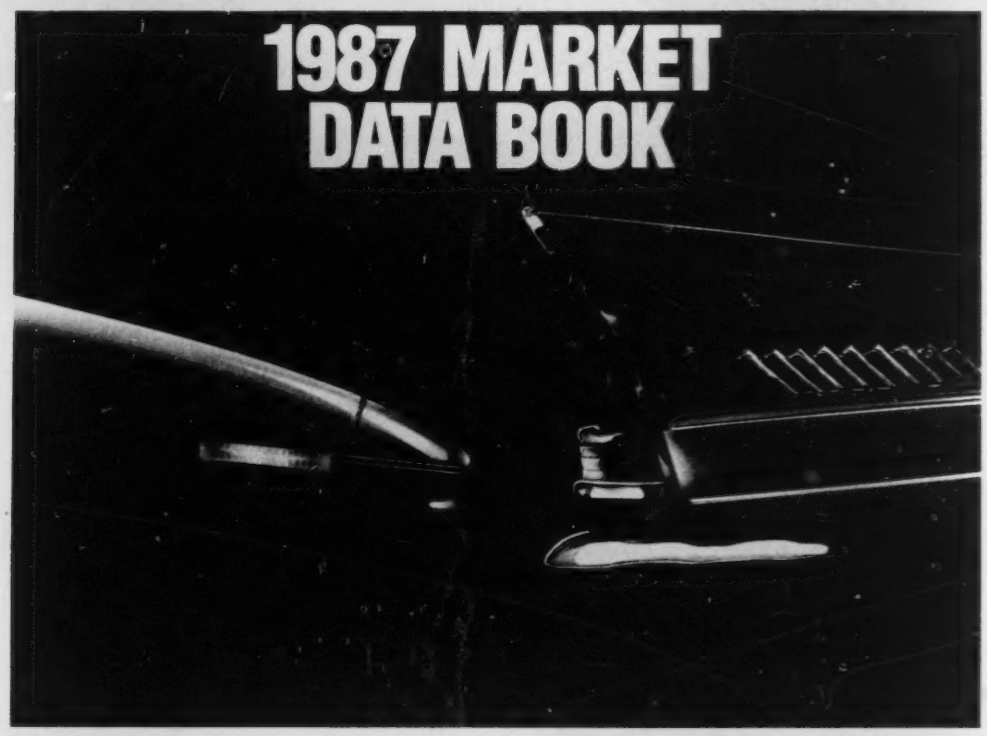

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A handy guide to what's inside the 1987 Market Data Book, by subject.

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New York: Howard Bradley, Manager; Thomas J. Collins
Chicago: William Gallagher, Manager; James R. Farnan Jr.
West Coast: James S. Mills, Manager
Akron: Edward J. Noonan
England: Paul Dimmock (Intergroup Communications Inc.)
Japan: Tadashi Mori (Media Sales Japan Inc.)
Promotions: Penelope Geismar, Manager; Janice Thomas

PRODUCTION

Vice President and Director: Robert C. Adams
Manager: Diane Carver

COMPOSITION

Systems Manager: Larry Williams
Production Supervisor: Roger Pierce
Production Staff: Jim Abbamonte, Vincent Agius, Greg Bartosiewicz, Larry Bennett, Donald M. Berkseth, John J. Cadariu, Sharon Martin, Andrew Spanos, Angelo Spanos

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PRODUCTION

For the seventh straight year, Japan produced more vehicles than the United States. Japan turned out 12,259,819 units in 1986 versus 12,271,095 in 1985, a drop of 0.09 percent.

The United States produced 11,372,865 vehicles in 1986, compared to 11,671,475 in 1985.

South Korea took honors in 1986 for the biggest percentage gain in production. That nation built 601,546 vehicles, a 59.07-percent increase over 1985's 378,162.

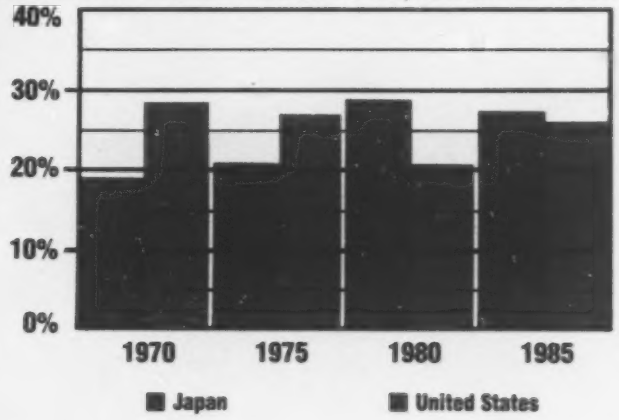
Other big gainers were: Brazil, up 9.30 percent to 1,056,507 in 1986 compared to 966,625 in 1985; and Spain, up 8.11 percent to 1,532,623 in 1986, compared to 1,417,604 in 1985.

West Germany also increased output in 1986, turning out 4,596,963 vehicles, 3.40 percent higher than 1985's 4,445,920.

Italy increased production by 16.41 percent in 1986, making 1,831,089 units compared to 1,572,907 in 1985.

Mexico had the biggest percentage drop in 1986, producing 272,168 units, a 31.65-percent drop from 398,192 in 1985. ■

PERCENT OF WORLD PRODUCTION, JAPAN vs. U.S.



WORLD VEHICLE PRODUCTION AND ASSEMBLY

	North America	Europe	Asia	South America
1985	14,006,178	15,901,217	12,880,388	1,104,300
1984	13,145,741	15,215,560	11,758,738	977,419
1983	11,015,273	15,682,826	11,486,316	1,055,457
1982	8,734,684	14,787,194	11,047,858	982,709
1981	9,962,814	14,412,899	11,462,754	952,199
1980	9,874,206	15,412,225	11,279,345	1,454,124
1979	13,556,095	16,269,079	9,941,286	1,384,210
1978	15,101,822	16,397,613	9,524,417	1,256,884
1977	14,759,040	15,873,698	8,688,887	1,175,823
1976	13,462,687	15,206,985	7,974,787	1,192,417
1975	10,771,197	13,472,708	7,052,131	1,180,931
1974	11,946,671	14,408,058	6,670,019	1,180,931
1973	14,541,846	15,607,461	7,206,988	1,040,749

Definitions: North America — Canada, Mexico, U.S.; Europe — Western Europe and Eastern Bloc including U.S.S.R.; Asia — India, Japan, Korea; South America — Argentina, Brazil. Totals will not match with other production tables because of CKD kits.

SOURCE: WWMA

ANNUAL WORLD VEHICLE PRODUCTION SINCE WORLD WAR II

Year	Australia	Belgium	Brazil	Canada	France	Italy	Japan	Korea	Mexico	Spain	Sweden	U.K.	U.S.	USSR	W. Germany	World Total
1986	362,247	N.A.	1,056,507	1,863,836	3,194,615	1,831,089	12,259,817	601,546	272,168	1,532,623	487,152	1,247,647	11,372,865	N.A.	4,596,963	N.A.
1985	411,332	266,682	966,625	1,936,511	3,016,106	1,572,907	12,271,095	378,162	398,192	1,417,604	461,072	1,311,256	11,671,475	2,200,000	4,445,920	44,279,111
1984	399,084	249,461	864,663	1,877,966	3,062,152	1,601,177	11,392,711	265,361	343,698	1,308,769	431,852	1,133,731	10,924,077	2,209,400	4,045,462	41,739,049
1983	337,075	285,478	896,462	1,523,324	3,335,860	1,575,151	11,055,711	221,019	285,485	1,288,721	414,522	1,289,111	9,512,781	2,190,000	4,154,439	39,775,231
1982	408,570	278,014	860 593	1,270,012	3,148,807	1,453,043	10,731,794	163,484	472,637	1,069,507	349,066	1,156,477	6,876,034	2,172,700	4,062,655	36,112,594
1981	391,614	237,456	779,836	1,198,416	3,019,370	1,433,743	11,179,962	133,905	597,118	987,474	313,679	1,184,205	7,981,167	2,197,500	3,897,007	37,730,055
1980	364,109	259,966	1,165,207	1,373,054	3,378,433	1,611,856	11,042,884	123,135	490,006	1,181,659	298,400	1,312,904	8,010,374	2,199,200	3,878,553	38,513,635
1979	461,468	314,997	1,127,966	1,602,369	3,613,458	1,632,289	9,635,546	204,447	444,426	1,122,918	354,820	1,478,512	11,391,867	2,173,200	4,249,725	41,518,599
1978	384,966	303,260	1,062,197	1,805,737	3,507,930	1,656,115	9,269,153	156,418	384,128	1,143,831	305,534	1,607,467	12,830,046	2,150,984	4,186,364	42,299,436
1977	452,592	336,382	919,242	1,698,904	3,507,881	1,583,917	8,514,522	83,000	280,813	1,129,700	286,091	1,714,020	12,727,243	2,088,399	4,104,216	40,946,772
1976	456,216	326,978	985,469	1,640,912	3,402,715	1,596,677	7,841,447	48,292	324,979	866,240	367,780	1,705,506	11,484,169	2,024,660	3,868,089	38,341,012
1975	456,167	222,176	929,805	1,446,330	2,861,305	1,458,629	6,941,591	36,264	360,678	814,164	366,753	1,648,399	8,991,091	1,964,056	3,186,208	32,998,363
1974	489,339	183,128	858,479	1,481,595	3,462,847	1,772,515	6,551,840	30,290	350,755	837,414	368,359	1,936,685	10,052,265	1,846,000	3,099,777	34,732,816
1973	454,190	298,957	729,135	1,587,500	3,569,179	1,957,994	7,082,757	26,314	285,513	822,020	378,042	2,163,941	12,674,613	1,602,000	3,949,065	39,917,733
1972	466,197	271,453	608,985	1,459,695	3,328,320	1,839,793	6,294,438	18,648	229,766	695,217	350,989	2,329,430	11,299,236	1,379,000	3,815,982	35,577,783
1971	470,122	295,764	516,038	1,372,328	3,010,294	1,817,019	5,810,774	23,002	210,840	532,358	317,295	2,198,146	10,655,574	1,142,700	3,982,722	33,423,579
1970	473,790	272,433	416,047	1,157,476	2,750,086	1,854,252	5,289,157	28,819	192,841	536,026	310,887	2,098,498	8,266,718	916,118	3,842,247	29,403,479
1969	451,917	302,549	349,519	1,350,708	2,459,072	1,595,951	4,674,932	30,994	165,164	454,571	271,440	2,182,793	10,181,263	844,300	3,604,567	29,809,527
1968	418,307	172,906	278,473	1,169,498	2,075,617	1,663,648	4,085,826	17,657	143,478	393,433	244,786	2,225,122	10,797,851	700,900	3,106,958	28,356,002
1967	366,547	183,087	225,418	939,635	2,009,672	1,542,669	3,146,486	6,604	126,365	361,637	214,650	1,937,199	8,996,490	728,800	2,462,319	24,022,706
1966	343,929	195,219	224,574	896,119	2,024,552	1,365,898	2,286,399	3,430	113,807	340,418	199,910	2,042,354	10,363,418	675,300	1,050,708	24,851,947
1965	407,569	166,594	185,187	852,274	1,641,696	1,175,548	1,875,614	141	96,654	228,935	205,717	2,177,261	11,118,020	634,312	2,976,477	24,266,799
1964	411,750	2,070	183,707	668,508	1,615,896	1,090,078	1,702,475	249	90,752	178,128	184,184	2,332,376	9,304,403	603,100	2,909,657	21,727,002
1963	374,058	1,200	174,191	631,356	1,736,977	1,180,536	1,283,531	1,254	69,135	131,988	167,850	2,011,720	9,108,305	587,012	2,667,896	20,373,249
1962	329,629	1,043	191,194	505,187	1,536,133	946,793	990,706	1,777	66,637	100,163	151,568	1,674,530	8,191,414	577,500	2,356,612	17,999,263
1961	231,651	800	145,584	386,923	1,244,223	759,140	813,879	—	62,563	75,000	131,755	1,464,134	6,650,282	555,330	2,147,825	15,228,245
1960	326,250	256	133,041	397,739	1,369,210	644,633	481,551	—	49,807	58,209	128,527	1,810700	7,901,502	523,591	2,055,149	16,488,340
1959	263,592	343	96,114	367,939	1,283,159	500,784	262,814	—	51,118	56,800	112,394	1,560,427	6,723,204	494,994	1,718,556	13,916,125
1958	241,324	382	60,983	356,418	1,127,549	403,560	188,303	—	38,955	31,050	91,179	1,365,407	5,114,807	511,074	1,495,256	11,289,036
1957	213,620	320	30,542	413,577	927,956	351,815	181,977	—	41,106	30,436	71,654	1,149,095	7,220,431	495,408	1,212,232	12,399,816
1956	204,176	383	—	471,350	827,079	315,802	111,066	—	39,387	4,500	57,274	1,004,544	6,905,458	464,632	1,075,619	11,675,283
1955	218,004	1,625	—	452,114	725,061	268,766	68,932	—	32,275	3,972	50,299	1,237,068	9,204,049	445,268	908,742	13,628,103
1954	200,605	3,620	—	352,109	600,040	216,715	70,073	—	33,380	620	44,735	1,037,879	6,536,729	403,873	680,597	10,348,996
1953	159,307	1,786	—	486,049	497,348	174,320	49,778	—	35,709	600	29,427	834,275	7,349,123	354,175	490,681	10,436,544
1952	116,293	550	—	434,102	498,962	138,446	38,966	—	46,987	400	21,233	689,658	5,561,796	307,936	428,383	8,324,023
1951	129,259	N.A.	—	415,420	445,655	145,533	38,490	—	46,081	308	22,950	733,883	6,757,014	288,683	374,151	9,352,635
1950	126,721	248	—	387,726	357,552	127,847	31,597	—	21,575	253	17,553	783,677	8,005,859	362,895	306,064	10,577,426
1949	—	200	—	290,664	285,641	86,054	28,700	—	—	486	11,069	628,196	6,243,834	275,992	163,583	8,044,198
1948	—	1,058	—	261,009	198,372	59,953	20,367	—	—	760	9,497	507,608	5,220,755	197,056	61,294	6,564,946
1947	—	—	—	242,107	137,383	43,736	11,320	—	—	—	9,287	441,284	4,795,587	132,968	23,343	5,853,636
1946	—	—	—	170,695	96,062	28,983	14,921	—	—	—	7,336	359,634	3,100,820	102,171	30,671	3,913,410

NOTE: Totals may not add because of double counting of CKD kits and unavailable production numbers in other countries. 1986 World Total was not available as of press time.

SOURCES: Automotive News, WWMA, AID Ltd., JAMA

PRODUCTION

WORLD VEHICLE PRODUCTION BY COUNTRY: 1986 vs. 1985

	Cars		Trucks*		Total	
	1986	1985	1986	1985	1986	1985
NORTH AMERICA						
United States	7,829,697	8,186,040	3,543,168	3,485,435	11,372,865	11,671,475
Canada	1,073,312	1,090,983	790,524	845,528	1,863,836	1,936,511
TOTAL	8,903,009	9,277,023	4,333,692	4,330,963	13,236,701	13,607,986
CENTRAL & SOUTH AMERICA						
Argentina	137,889	113,788	32,602	23,887	170,491	137,675
Brazil	829,477	758,840	227,030	207,785	1,056,507	966,625
Colombia**	N.A.	22,802	N.A.	6,358	N.A.	29,160
Mexico	169,567	246,960	102,601	151,232	272,168	398,192
TOTAL	1,135,933	1,142,390	362,233	389,262	1,499,166	1,531,652
EASTERN EUROPE						
Czechoslovakia	N.A.	186,950	N.A.	51,150	N.A.	238,100
East Germany	N.A.	198,000	N.A.	46,000	N.A.	244,000
Hungary	N.A.	N.A.	N.A.	14,834	N.A.	14,834
Poland	N.A.	265,000	N.A.	47,000	N.A.	312,000
U.S.S.R.	N.A.	1,400,000	N.A.	800,000	N.A.	2,200,000
Yugoslavia	N.A.	217,755	N.A.	40,531	N.A.	258,286
TOTAL	N.A.	2,267,705	N.A.	999,515	N.A.	3,267,220
WESTERN EUROPE						
Austria	6,801	7,118	4,906	6,605	11,707	13,723
Belgium	N.A.	229,705	N.A.	36,977	N.A.	266,682
France	2,773,094	2,631,366	421,521	384,740	3,194,615	3,016,106
Italy	1,652,425	1,389,156	178,637	183,751	1,831,089	1,572,907
Netherlands	N.A.	108,083	N.A.	20,644	N.A.	128,727
Spain	1,281,899	1,230,071	250,724	187,533	1,532,623	1,417,604
Sweden	421,255	400,748	65,897	60,324	487,152	461,072
United Kingdom	1,016 962	1,047,973	226,685	263,283	1,247,647	1,311,256
West Germany	4,310,828	4,166,686	286,135	279,234	4,596,963	4,445,920
TOTAL	11,465,284	11,210,906	1,463,505	1,423,091	12,901,796	12,633,997
ASIA-OCEANIA						
Australia	337,206	383,763	25,041	27,569	362,247	411,332
India	115,285	102,456	122,668	128,655	237,953	231,111
Japan	7,809,809	7,646,816	4,450,008	4,544,688	12,259,817	12,271,095
South Korea	457,383	264,458	144,163	113,704	601,546	378,162
Taiwan	N.A.	49,619	N.A.	32,921	N.A.	82,540
TOTAL	8,719,683	8,447,112	4,741,880	4,847,537	13,461,563	13,374,240

NOTE: In some cases, figures are preliminary and subject to slight change. Totals will not add due to CKD kits counted by more than one country.
*—Truck figures include buses and commercial vehicles. European truck figures include car-derived vans; U.S. figures include minivans.
**—Includes assemblies.
SOURCES: Automotive News; MVMA; JAMA.

CAR AND TRUCK PRODUCTION IN JAPAN, 1986 vs. 1985

1986	Cars	Trucks	Total
Toyota	2,684,024	961,709	3,645,733
Nissan	1,769,484	465,898	2,235,382
Mazda	811,371	383,586	1,194,957
Mitsubishi	578,642	592,862	1,171,504
Honda	1,025,403	210,995	1,236,398
Suzuki	300,804	571,607	872,411
Daihatsu	142,064	460,150	602,214
Fuji (Subaru)	287,039	341,264	628,303
Isuzu	211,178	337,737	548,915
Hino		49,983	49,983
Nissan Diesel	0	30,986	30,986
Others	0	707	707
Total	7,809,809	4,407,686	12,216,475

1985	Cars	Trucks	Total
Toyota	2,569,284	1,058,248	3,627,532
Nissan	1,864,701	622,480	2,487,181
Mazda	815,074	373,253	1,188,327
Mitsubishi	570,865	574,180	1,145,045
Honda	956,410	163,901	1,120,311
Suzuki	236,198	545,703	781,269
Daihatsu	161,559	416,535	578,094
Fuji (Subaru)	259,673	324,711	584,384
Isuzu	213,052	367,677	580,729
Hino	0	82,985	82,985
Nissan Diesel	0	34,071	34,071
Others	0	954	954
Total	7,646,816	4,544,698	12,191,514

SOURCE: JAMA

JAPANESE PRODUCTION BY CATEGORY

CARS	1986	1985
Standard	500,147	494,792
Small	7,175,121	6,991,432
Midget	134,541	160,592
Passenger Car Total	7,809,809	7,646,816
TRUCKS		
Standard	1,348,969	1,278,212
Small	1,559,680	1,877,893
Midget	1,501,011	1,388,583
Trucks Total	4,407,686	4,544,688
BUSES		
30 passengers & over	14,561	15,547
Under 30 passengers	27,781	64,044
Buses Total	42,342	79,591
GRAND TOTAL	12,259,817	12,271,095

SOURCE: JAMA

VEHICLE CLASSIFICATIONS

	Standard	Small	Midget
Width	Over 60 inches	Over 48 inches to 60 inches	48 inches or less
Height	Over 72 inches	72 inches and less	72 inches and less
Length	Over 180 inches	Over 120 inches to to 180 inches	120 inches and less
Displacement	More than 2,000cc (for vehicles except diesel)	More than 550 cc to 2,000 cc (for vehicles except diesel)	550 cc and less

EUROPEAN CAR PRODUCTION BY MANUFACTURER

	1986	% Share	1985	% Share	% Change
VW/Audi	1,670,287	16.13	1,734,853	16.01	7.81
SEAT	211,640	1.63	209,434	1.93	1.05
Fiat/Lancia*	1,466,000	12.65	1,199,905	11.07	22.18
Alfa Romeo	162,000	1.40	157,625	1.45	2.78
Peugeot SA	1,590,600	13.72	1,401,307	12.93	13.51
Renault	1,428,314	12.32	1,416,690	13.08	0.82
Ford	1,405,973	12.13	1,307,306	12.07	7.55
GM/Opel-Vauxhall	1,363,018	11.76	1,332,838	12.30	2.26
Daimler-Benz	591,916	5.11	537,909	4.96	10.04
BMW	432,285	3.73	431,085	3.98	0.28
Rover Group	404,454	3.49	465,104	4.29	−13.04
Volvo	413,830	3.57	397,018	3.66	4.23
Saab	126,401	1.09	111,813	1.03	13.05
Jaguar	40,880	0.35	38,378	0.35	6.52
Porsche	52,939	0.46	54,458	0.50	−2.79
Others	31,529	0.27	38,775	0.36	−18.69
Totals	11,592,066	100.00	10,834,498	100.00	6.99

NOTE: *—Estimate.
SOURCE: AID.

EUROPEAN CAR PRODUCTION BY COUNTRY

Country	1986	1985	% Change
Germany	4,310,828	4,166,686	3.46
France	2,773,094	2,632,366	5.35
Italy	1,652,452	1,389,156	18.95
Sweden	421,255	400,748	5.12
United Kingdom	1,018,961	1,047,973	−2.77
Belgium	240,580	229,480	4.84
Spain	1,055,920	860,006	22.78
Netherlands	116,976	106,083	10.08
Total Europe	11,592,066	10,834,498	6.99

SOURCE: AID.

PRODUCTION

1986 U.S. CAR PRODUCTION TOTALS, MAKES AND MONTHS

COMPANY	JANUARY	FEBRUARY	MARCH	FIRST QUARTER TOTAL	APRIL	MAY	JUNE	SECOND QUARTER TOTAL	JULY	AUGUST	SEPTEMBER	THIRD QUARTER TOTAL	OCTOBER	NOVEMBER	DECEMBER	FOURTH QUARTER TOTAL	GRAND TOTAL
AMERICAN MOTORS	2,823	3,808	5,922	12,553	3,990	5,713	6,337	16,040	2,591	5,771	4,129	12,491	3,857	3,002	1,492	8,351	49,435
Renault Total	2,823	3,808	5,922	12,553	3,990	5,713	6,337	16,040	2,591	5,771	4,129	12,491	3,857	3,002	1,492	8,351	49,435
Alliance	2,378	3,522	5,111	11,011	3,434	5,096	5,786	14,316	2,510	5,771	4,129	12,410	3,857	3,002	1,492	8,351	46,088
Encore	445	286	811	1,542	556	617	551	1,724	81	0	0	81	0	0	0	0	3,347
CHRYSLER MOTORS	134,849	123,092	115,540	373,481	116,942	108,595	126,696	352,233	71,378	90,484	107,719	269,581	122,382	94,742	85,240	302,364	1,297,659
Plymouth Total	38,450	32,555	32,646	103,651	34,793	37,033	40,317	112,143	23,054	31,752	39,672	94,478	44,302	35,953	32,091	112,346	422,618
Horizon	13,994	12,056	12,549	38,599	13,679	15,866	16,471	46,016	14,584	14,828	15,244	44,656	17,377	12,747	12,487	42,611	171,882
Sundance	0	0	0	0	0	34	1,131	1,165	4,505	3,836	4,790	13,131	7,335	7,666	7,558	22,559	36,855
Reliant	17,668	14,279	14,064	46,011	14,705	15,634	16,638	46,977	2,568	8,750	14,265	25,583	12,869	11,021	9,234	33,124	151,695
Caravelle	5,769	5,081	4,740	15,590	4,444	3,593	3,578	11,615	407	2,728	3,506	6,641	4,177	3,533	2,812	10,522	44,368
Gran Fury	1,019	1,139	1,293	3,451	1,965	1,906	2,499	6,370	990	1,610	1,867	4,467	2,544	986	0	3,530	17,818
Chrysler Total	49,260	46,323	38,134	133,717	37,247	28,797	37,256	103,300	16,012	22,417	26,598	65,027	29,843	19,847	16,903	66,593	368,637
Laser	4,657	4,468	4,228	13,353	4,031	3,320	3,267	10,618	1,356	0	0	1,356	0	0	0	0	25,327
LeBaron K	12,095	11,230	8,944	32,269	9,709	9,209	9,292	28,210	2,525	2,305	3,820	8,650	5,008	4,439	4,587	14,034	83,163
LeBaron J	0	0	0	0	0	0	0	0	0	0	0	0	4,164	579	3,464	8,207	4,043
LeBaron GTS	10,534	10,289	7,182	28,005	4,746	692	7,579	13,017	6,081	4,334	5,859	16,274	5,901	3,783	3,456	13,040	68,699
New Yorker	7,075	6,119	6,479	19,673	6,534	5,843	5,990	18,367	581	4,249	5,411	10,241	14,870	5,486	5,396	25,752	64,964
Fifth Avenue	14,899	14,217	11,301	40,417	12,227	9,733	11,128	33,088	5,469	11,529	11,508	28,506	0	5,560	0	5,560	122,441
Dodge Total	47,139	44,214	44,760	136,113	44,902	42,765	49,123	136,790	32,312	36,315	41,449	110,076	48,237	38,942	36,246	123,425	506,404
Daytona	4,631	4,062	3,917	12,610	5,532	4,947	4,768	15,247	2,486	0	0	2,486	0	577	2,177	2,754	33,097
Omni	14,045	12,629	12,732	39,406	13,346	13,783	13,002	40,131	15,332	14,708	14,735	44,775	15,208	12,293	11,598	39,104	163,416
Shadow	0	0	0	0	0	32	1,029	1,061	4,025	3,409	4,378	11,812	7,390	7,981	6,863	22,234	35,107
Aries	10,638	11,253	11,879	33,770	10,537	12,689	14,554	37,780	2,428	7,620	10,364	20,412	14,681	10,530	9,138	34,349	126,311
Dodge 600	7,474	6,652	7,576	21,702	8,246	7,144	7,092	22,482	1,859	2,736	3,157	7,752	4,627	3,694	3,806	12,127	64,063
Lancer	8,341	7,616	5,433	21,390	3,247	477	4,423	8,147	3,813	2,433	3,354	9,600	3,169	2,847	2,664	8,680	47,817
Diplomat	2,010	2,002	3,223	7,235	3,994	3,693	4,255	11,942	2,369	5,409	5,461	13,239	3,162	1,015	0	4,177	36,593
FORD MOTOR	149,078	146,864	150,615	446,557	178,727	161,717	156,511	496,955	108,495	143,209	131,964	383,668	152,919	138,965	145,252	437,136	1,764,316
Ford Division	100,612	100,197	103,597	304,406	122,134	111,536	106,200	339,870	76,159	96,277	95,195	267,631	108,535	100,336	101,178	310,049	1,221,956
Escort/EXP	34,101	33,287	32,804	100,192	38,082	33,789	31,771	103,642	21,865	33,331	23,977	79,173	38,648	29,697	27,007	95,352	378,359
Mustang	17,642	16,686	16,009	50,337	18,357	17,338	15,535	51,230	18,026	8,163	17,465	43,654	4,853	12,861	14,802	32,516	177,737
Tempo	18,745	16,897	16,839	52,481	18,132	18,336	16,446	52,914	11,433	15,936	15,531	42,900	18,676	14,957	16,880	50,513	198,808
Taurus	14,219	18,639	24,328	57,186	32,251	28,128	30,973	91,352	16,442	27,735	38,222	82,399	39,890	30,822	34,020	104,732	335,669
Thunderbird	15,905	14,688	13,617	44,210	15,312	13,945	11,475	40,732	8,393	11,112	0	19,505	6,468	11,999	8,469	26,936	131,383
L-M Division	48,466	46,667	47,018	142,151	56,593	50,181	50,311	157,085	32,336	46,932	36,769	116,037	44,384	38,629	44,074	127,087	542,360
Mercury Total	32,558	30,747	31,837	95,142	39,791	34,738	35,653	110,182	23,188	34,203	19,795	77,186	24,413	22,769	29,610	76,815	359,325
Lynx	6,727	5,333	4,826	16,886	5,456	6,051	5,852	17,359	3,921	5,960	3,220	13,101	3,946	4,636	4,318	12,900	60,246
Capri	1,960	1,247	1,172	4,379	1,752	637	2,656	5,045	1,415	1,435	70	2,920	0	0	0	0	12,344
Topaz	6,318	5,459	4,676	16,453	5,840	4,393	5,115	15,348	3,504	4,125	4,284	11,913	5,994	4,311	3,557	13,862	57,576
Cougar	10,442	9,756	9,724	29,922	11,196	11,567	12,910	35,673	8,398	12,960	0	21,358	106	3,921	10,849	14,876	101,829
Sable	7,111	8,952	11,439	27,502	15,547	12,090	9,120	36,757	5,950	9,723	12,221	27,894	14,390	9,901	10,886	35,177	127,330
Lincoln Total	15,908	15,920	15,181	47,009	16,802	15,443	14,658	46,903	9,148	12,729	16,974	38,851	19,948	15,860	14,464	50,272	183,035
Continental	1,900	1,778	1,690	5,368	1,876	1,712	1,624	5,212	1,030	1,287	1,707	4,024	2,000	1,575	1,449	5,024	19,628
Lincoln	11,938	11,940	11,387	35,265	12,600	11,582	11,003	35,185	6,859	9,539	12,732	29,130	14,961	11,897	10,848	37,706	137,286
Mark VII	2,070	2,202	2,104	6,376	2,326	2,149	2,031	6,506	1,259	1,903	2,535	5,697	2,987	2,388	2,167	7,542	26,121
GENERAL MOTORS	425,425	382,590	351,325	1,159,340	396,313	376,152	387,823	1,160,288	290,521	194,759	343,019	828,299	382,515	291,813	302,475	976,803	4,124,730
Buick Total	71,755	55,607	56,725	184,087	71,992	74,591	78,272	224,855	65,652	41,073	72,979	179,704	68,964	59,888	58,468	187,320	775,966
Skyhawk	8,176	7,050	6,868	22,094	8,305	7,710	7,919	23,934	6,704	4,844	6,485	18,033	8,263	5,514	4,591	18,368	82,429
Century	25,496	16,934	18,094	60,524	25,677	22,675	21,083	69,435	20,258	8,998	15,430	44,686	15,649	20,882	18,961	55,492	230,137
Regal	4,099	2,399	5,241	11,739	5,148	8,590	9,358	23,096	1,200	5,250	5,572	12,022	4,794	3,688	5,558	14,040	60,897
Somerset/Skylark	9,436	7,008	7,464	23,908	10,620	10,350	12,179	33,149	12,575	3,993	10,111	26,679	10,630	9,223	9,184	29,037	112,773
LeSabre (fwd)	6,283	8,523	10,261	25,067	11,671	14,589	17,384	43,644	16,301	13,428	19,563	49,292	17,108	11,645	10,113	38,866	156,869
LeSabre (rwd)	1,015	1,025	1,393	3,433	1,266	1,445	1,445	4,156	1,273	1,403	1,336	4,012	1,441	926	1,224	3,591	15,192
Electra	15,776	11,047	5,615	32,438	6,688	6,501	5,975	19,164	4,121	150	14,482	18,753	8,930	6,095	6,179	21,204	91,559
Riviera	1,474	1,621	1,789	4,884	2,617	2,731	2,929	8,277	3,220	3,007	0	6,227	2,149	1,915	2,658	6,722	26,110
Cadillac Total	25,892	24,785	25,615	76,292	31,365	34,956	34,796	101,117	18,786	24,300	22,331	65,417	27,857	22,180	26,233	76,270	319,096
Cimarron	1,825	1,866	2,679	6,370	2,706	2,703	2,655	8,064	1,661	819	2,088	4,568	1,051	2,009	1,185	4,245	23,247
Allante	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53	53	53
Brougham (rwd)	4,827	7,896	7,616	20,339	8,626	10,353	9,783	28,762	0	8,675	5,018	13,693	5,451	3,183	5,041	13,675	76,469
DeVille (fwd)	16,594	12,188	12,047	40,829	15,187	16,868	16,939	48,994	10,394	10,303	15,225	35,922	17,368	13,442	15,052	45,862	171,607
Eldorado	1,552	1,654	1,879	5,085	2,428	2,521	2,719	7,668	3,314	2,293	0	5,607	2,160	2,117	2,609	6,886	25,246
Seville	1,094	1,181	1,394	3,669	2,418	2,511	2,700	7,629	3,417	2,210	0	5,627	1,827	1,429	2,293	5,549	22,474
Chevrolet Total	150,192	125,007	110,248	385,447	119,919	110,437	107,416	337,772	74,758	66,415	117,108	258,281	132,805	98,018	98,387	329,210	1,310,710
Chevette	11,718	10,656	7,048	29,422	10,789	7,152	9,825	27,766	1,416	5,558	10,798	17,772	11,755	9,733	9,040	30,528	105,488
Camaro	21,720	20,095	13,805	55,620	20,122	16,200	14,642	50,964	8,293	8,326	14,190	30,809	15,215	11,836	8,141	35,192	172,585
Cavalier	41,753	37,663	32,967	112,383	36,237	36,158	36,476	108,871	29,134	21,818	34,537	85,489	34,370	28,184	25,857	88,411	395,154
Celebrity	26,290	26,225	28,355	80,870	23,901	23,616	19,710	67,227	13,646	301	20,537	34,484	33,340	21,193	20,869	75,402	257,983
Corsica/Beretta	0	0	0	0	0	0	0	0	0	458	1,443	1,901	2,986	4,204	8,109	15,299	17,200
Monte Carlo	11,844	9,498	10,083	31,425	9,599	9,152	9,115	27,866	9,551	11,021	9,586	30,158	7,611	6,661	6,327	20,599	110,048
Chevrolet	36,867	17,655	14,943	69,465	16,283	15,451	14,936	46,670	11,171	16,208	23,303	50,682	24,598	14,594	17,833	57,025	223,842
Corvette	0	3,215	3,047	6,262	2,988	2,708	2,712	8,408	1,547	2,725	2,714	6,986	2,930	1,613	2,211	6,754	28,410
Oldsmobile Total	105,105	102,791	93,212	301,108	97,846	86,596	91,723	276,165	72,783	37,223	60,037	170,043	69,606	51,955	58,296	179,857	927,173
Firenza	4,391	4,290	5,131	13,812	4,645	2,381	1,645	8,671	876	2,411	3,384	6,671	4,703	2,465	1,890	9,058	38,212
Calais	13,717	13,592	10,568	37,877	9,745	8,865	8,779	27,389	8,983	4,191	11,112	24,286	12,468	8,774	9,835	31,077	120,629
Cutlass Ciera	30,649	25,716	19,465	75,830	20,936	20,503	25,978	67,417	23,432	6,356	13,288	43,076	18,575	16,262	15,453	50,290	236,613
Cutlass Supreme	20,159	18,055	15,288	53,502	13,120	8,262	7,654	29,036	1,020	4,096	5,193	10,309	5,125	5,247	3,817	14,189	107,036
88 (fwd)	18,486	26,608	30,040	75,134	36,913	35,143	35,406	107,462	27,772	9,924	15,106	52,802	12,567	8,464	15,889	36,920	272,318
88 (rwd)	2,903	1,724	1,649	6,276	1,529	1,941	2,003	5,473	0	1,312	1,401	2,713	2,049	1,102	1,415	4,566	19,028
98	13,741	11,434	9,968	35,143	9,066	7,507	8,108	24,681	8,043	7,189	10,553	25,785	12,576	8,283	8,090	28,949	114,558
Toronado	1,059	1,372	1,103	3,534	1,892	1,994	2,150	6,036	2,657	1,744	0	4,401	1,543	1,358	1,907	4,808	18,779
Pontiac Total	72,481	74,400	65,525	212,406	75,191	69,572	75,616	220,379	58,542	25,748	70,564	154,854	83,283	59,772	61,091	204,146	791,785
Acadian*	961	1,237	1,275	3,473	2,291	1,807	1,754	5,852	431	453	1,908	2,792	1,536	955	1,931	4,422	16,539
Fiero	4,721	9,610	6,390	20,721	6,703	6,095	7,129	19,927	3,336	762	6,384	10,482	8,071	4,500	6,034	18,605	69,735
1000	1,621	1,616	1,917	5,154	1,711	1,793	2,493	5,997	35	844	1,349	2,228	2,058	1,377	0	3,435	16,814
Firebird	11,613	10,744	7,308	29,665	10,734	8,890	13,039	32,663	7,361	4,902	8,302	20,565	9,622	7,774	4,820	22,216	105,109
Sunbird	12,555	11,589	11,907	36,051	13,143	12,972	13,276	39,391	8,251	7,481	14,948	30,680	9,922	7,827	6,296	24,045	130,167
Grand Am	19,239	17,326	18,164	54,729	21,142	20,142	20,092	61,376	21,486	8,510	22,338	52,334	26,179	17,230	19,470	62,879	231,318
6000	12,040	15,167	12,477	39,684	12,927	13,682	13,792	40,401	14,326	499	7,031	21,856	11,120	9,622	9,702	30,444	132,385
Bonneville	0	0	0	0	0	0	0	0	0	0	5,214	5,214	13,693	9,415	11,564	34,672	39,886
Safari/Parisenne	9,731	7,111	6,087	22,929	6,540	4,191	4,041	14,772	3,316	2,297	3,090	8,703	1,082	1,072	1,274	3,428	49,832
HONDA	15,943	15,130	14,339	45,412	16,774	16,876	17,443	51,093	17,992	22,581	23,986	64,559	29,735	25,626	21,734	77,095	238,159
Civic	0	0	0	0	2	8	30	40	485	2245	3,635	6,365	6,487	6,173	5,283	17,943	24,348
Accord	15,943	15,130	14,339	45,412	16,772	16,868	17,413	51,053	17,507	20336	20,351	58,194	23,248	19,453	16,451	59,152	213,811
NISSAN	7,900	7,175	6,442	21,517	0	13	12	25	6	2,425	7,635	10,066	12,543	11,090	9,906	33,539	65,147
NUMMI	16,005	16,809	17,012	49,826	20,016	19,611	19,282	58,909	18,621	17,348	13,851	49,820	18,226	15,486	13,587	47,299	205,854
Corolla FX-16	0	0	0	0	0	0	0	0	0	0	1,738	1,738	4,777	4,166	3,637	12,580	14,318
Nova	16,005	16,809	17,012	49,826	20,016	19,611	19,282	58,909	18,621	17,348	12,113	48,082	13,449	11,320	9,950	34,719	191,536
VOLKSWAGEN	7,199	7,178	7,643	22,020	8,822	8,400	8,504	25,726	2,984	4,280	8,457	15,721	9,068	7,000	4,862	20,930	84,397
Total Cars U.S.	759,222	702,646	668,838	2,130,706	741,584	697,077	722,608	2,161,269	512,588	480,857	640,760	1,634,205	731,245	587,724	584,548	1,903,517	7,829,697

*Built for sale in Canada only.

PRODUCTION

Car production in the United States in the 1986 calendar year dropped 4.35 percent from 1985.

According to the companies' final figures, 7,829,697 cars were built in 1986 compared to 8,186,040 units in 1985.

Five companies reported production gains in 1986: New United Motor Manufacturing Inc. more than tripled its output to 205,854 units; American Honda Mfg. Inc. rose 70.75 percent to 248,159; Nissan Motor Mfg. Corp. U.S.A. climbed 48.70 percent to 65,-147; Ford Motor Co. went up 7.83 percent to 1,764,316; and Chrysler Motors advanced 1.71 percent to 1,287,659. ■

U.S. CAR OUTPUT BY CALENDAR YEAR

1986	7,829,697
1985	8,186,040
1984	7,777,721
1983	7,112,352
1982	4,973,870
1981	6,280,045
1980	6,416,885
1979	8,418,369
1978	9,153,299
1977	9,293,674
1976	8,537,759
1975	6,740,584
1974	7,309,763
1973	9,667,118
1972	8,827,706
1971	8,557,878
1970	6,550,077
1969	8,224,267
1968	8,848,507
1967	7,412,610
1966	8,604,726
1965	9,335,208
1964	7,744,888
1963	7,644,359
1962	6,943,470
1961	5,522,004
1960	6,703,086
1959	5,599,471

Car production in the United States in the 1986 model year declined to 7,890,392 units, down from 7,975,-390 in 1985.

General Motors '86 model production fell to 4,350,839 from 4,490,883 in '85. Ford Motor Co. increased to 1,809,604 from 1,735,782.

Chrysler Motors declined to 1,168,-836 in '86 from 1,315,326 in '85. American Motors dropped to 64,873 from 150,189.

New United Motor Mfg. Inc. produced 179,026 '86 model cars compared to 27,943 in '85. American Honda Mfg. Inc. turned out 181,101 in '86 compared to 155,102 in '85. Nissan Motor Mfg. Corp. U.S.A. built 50,763 in 1986 compared to 17,368 in '85. Volkswagen of America made 85,350 units in '86 compared to 82,-797 in '85. ■

U.S. CAR OUTPUT BY MODEL YEAR

1986	7,890,392
1985	7,975,390
1984	8,102,269
1983	5,768,893
1982	5,447,135
1981	6,639,954
1980	7,085,480
1979	9,526,024
1978	8,995,418
1977	9,159,100
1976	8,114,376
1975	6,523,880
1974	8,125,488
1973	9,915,802
1972	8,589,049
1971	7,221,290
1970	7,595,411
1969	8,440,765
1968	8,402,870
1967	7,666,898
1966	8,606,166
1965	7,882,679
1964	7,892,090
1963	7,339,992
1962	6,686,749
1961	5,407,256
1960	6,011,482
1959	5,566,527

U.S. CAR OUTPUT, MODEL YEAR 1986 vs. 1985

	1986 Model Year	Pct. of Output	1985 Model Year	Pct. of Output	Pct. of Change '86 vs. '85
AMERICAN MOTORS	64,873	0.82	150,189	1.88	−1.06
Renault Total	64,873	0.82	150,189	1.88	−1.06
Alliance	55,821	0.71	91,664	1.15	−0.44
Encore	9,052	0.11	58,525	0.73	−0.62
CHRYSLER MOTORS	1,168,836	14.81	1,315,326	16.49	−1.68
Plymouth Total	350,573	4.44	393,711	4.94	−0.49
Horizon	144,170	1.83	156,073	1.96	−0.13
Sundance	0	0.00	0	0.00	0.00
Reliant	153,362	1.94	166,966	2.09	−0.15
Caravelle*	44,110	0.56	51,504	0.65	−0.09
Gran Fury	8,931	0.11	19,168	0.24	−0.13
Chrysler Total	367,898	4.66	420,780	5.26	−0.61
Laser	43,210	0.55	58,337	0.73	−0.18
LeBaron	96,760	1.23	101,028	1.27	−0.04
LeBaron GTS	83,478	1.06	70,957	0.89	+0.17
N.Y./E-Class	59,533	0.75	70,143	0.88	−0.12
Fifth Avenue	84,917	1.08	120,315	1.51	−0.43
Dodge Total	450,365	5.71	500,835	6.26	−0.57
Daytona	46,761	0.59	50,107	0.63	−0.04
Omni	136,701	1.73	146,731	1.84	−0.11
Shadow	0	0.00	0	0.00	0.00
Aries	122,167	1.55	141,841	1.78	−0.23
Dodge 600	69,956	0.89	69,352	0.87	+0.02
Lancer	56,627	0.72	50,942	0.64	+0.08
Diplomat	18,153	0.23	41,862	0.52	−0.29
FORD MOTOR	1,809,604	22.93	1,735,782	21.76	+1.17
Ford Division	1,253,525	15.89	1,149,427	14.41	+1.47
Escort	390,227	4.95	364,345	4.57	+0.38
EXP	0	0.00	26,462	0.33	−0.33
Mustang	224,410	2.84	156,514	1.96	+0.88
Tempo	166,078	2.10	201,535	2.53	−0.42
LTD	72,483	0.92	205,535	2.58	−1.66
Taurus	236,362	3.00	0	0.00	+3.00
Thunderbird	163,965	2.08	151,852	1.90	+0.17
Crown Victoria	0	0.00	43,184	0.54	−0.54
L-M Division	556,079	7.05	586,355	7.35	−0.30
Mercury Total	399,240	5.05	419,869	5.26	−0.20
Lynx	71,559	0.91	80,551	1.01	−0.10
Capri	20,869	0.26	18,654	0.23	+0.03
Topaz	46,683	0.59	62,091	0.78	−0.19
Cougar	135,909	1.72	117,274	1.47	+0.25
Marquis	28,582	0.36	104,198	1.31	−0.94
Sable	95,638	1.21	0	0.00	+1.21
Grand Marquis	0	0.00	37,101	0.47	−0.47
Lincoln Total	156,839	1.99	166,486	2.09	−0.10
Continental	19,012	0.25	28,253	0.35	−0.11
Lincoln	117,771	1.49	119,878	1.50	−0.01
Mark VII	20,056	0.25	18,356	0.23	+0.02
GENERAL MOTORS	4,350,839	55.15	4,490,883	56.32	−1.17
Buick Total	850,103	10.77	1,002,906	12.58	−1.80
Skyhawk	91,421	1.16	82,516	1.03	+0.12
Century	274,507	3.48	257,192	3.22	+0.25
Regal	91,230	1.16	124,546	1.56	−0.41
Skylark (X-Car)	0	0.00	93,157	1.17	−1.17
Somerset/Skylark	137,855	1.75	86,071	1.08	+0.67
LeSabre (fwd)	94,972	1.20	0	0.00	+1.20
LeSabre/Electra	18,126	0.23	157,256	1.97	−1.74
Electra	119,854	1.52	136,863	1.72	−0.20
Riviera	22,138	0.28	65,305	0.82	−0.54
Cadillac Total	281,683	3.57	384,840	4.83	−1.26
Cimarron	24,534	0.31	19,890	0.25	+0.06
Cadillac (rwd)	49,137	0.62	51,701	0.65	−0.03
DeVille (fwd)	167,572	2.12	197,093	2.47	−0.35
Eldorado	21,342	0.27	76,401	0.96	−0.69
Seville	19,098	0.24	39,755	0.50	−0.26
Chevrolet Total	1,368,836	17.35	1,418,098	17.78	−0.43
Chevette	103,244	1.31	123,499	1.55	−0.24
Camaro	192,219	2.44	180,018	2.26	+0.18
Cavalier	432,101	5.48	383,785	4.81	+0.66
Celebrity	241,942	3.07	270,418	3.39	−0.32
Citation	0	0.00	62,722	0.79	−0.79
Corsica/Beretta	0	0.00	0	0.00	0.00
Monte Carlo	119,210	1.51	122,057	1.53	−0.02
Chevrolet	245,011	3.11	235,870	2.96	+0.15
Corvette	35,109	0.44	39,729	0.50	−0.05
Oldsmobile Total	1,050,756	13.32	1,165,649	14.62	−1.30
Firenza	46,701	0.59	49,040	0.61	−0.02
Calais	151,291	1.92	106,257	1.33	+0.59
Cutlass Ciera	387,622	3.65	316,753	3.97	−0.33
Cutlass Supreme	169,307	2.15	240,216	3.01	−0.87
88 (fwd)	234,266	2.97	0	0.00	+2.97
88 (rwd)	21,073	0.27	241,765	3.03	−2.76
Olds 98	124,572	1.58	169,433	2.12	−0.55
Toronado	15,924	0.20	42,185	0.53	−0.33
Pontiac Total	799,461	10.13	519,390	6.51	+3.62
Acadian*	21,643	0.27	8,992	0.11	+0.16
Fiero	83,974	1.06	76,371	0.96	+0.11
1000	21,689	0.27	25,855	0.32	−0.05
Firebird	110,483	1.40	95,880	1.20	+0.20
2000 Sunbird	135,101	1.71	111,899	1.40	+0.31
Grand Am	223,596	2.83	82,560	1.04	+1.80
6000	117,887	1.49	35,726	0.45	+1.05
Bonneville	0	0.00	0	0.00	0.00
Safari/Parisienne	85,088	1.08	82,107	1.03	+0.05
HONDA	181,101	2.30	155,102	1.94	+0.35
Civic	2,860	0.04	0	0.00	+0.04
Accord	178,241	2.26	155,102	1.94	+0.31
NISSAN	50,763	0.64	17,368	0.22	+0.43
NUMMI	179,026	2.27	27,943	0.35	+1.92
Corolla	0	0.00	0	0.00	0.00
Nova	179,026	2.27	27,943	0.35	+1.92
VOLKSWAGEN	85,350	1.08	82,797	1.04	+0.04
Golf/GTI	85,350	1.08	82,797	1.04	+0.04
Jetta	0	0.00	0	0.00	0.00
Total Cars U.S.	7,890,392	100.00	7,975,390	100.00	

NOTE: *—Built for sale in Canada only.
Percentage rounded.

U.S. CAR OUTPUT, CALENDAR 1986 vs. 1985

	1986 Calendar Year	Pct. of Output	1985 Calendar Year	Pct. of Output	Pct. of Change '86 vs. '85
AMERICAN MOTORS	49,435	0.63	111,138	1.36	−0.73
Renault Total	49,435	0.63	111,138	1.36	−0.73
Alliance	46,088	0.59	74,292	0.91	−0.32
Encore	3,347	0.04	36,846	0.45	−0.41
CHRYSLER MOTORS	1,287,659	16.45	1,266,068	15.47	+0.98
Plymouth Total	422,618	5.40	369,487	4.51	+0.88
Horizon	171,882	2.20	142,611	1.74	+0.45
Sundance	36,855	0.47	0	0.00	+0.47
Reliant	151,695	1.94	162,690	1.99	−0.05
Caravelle	44,368	0.57	49,006	0.60	−0.03
Gran Fury	17,818	0.23	15,180	0.19	+0.04
Chrysler Total	368,637	4.71	414,193	5.06	−0.35
Laser	25,327	0.32	52,209	0.64	−0.31
LeBaron	83,163	1.06	96,339	1.18	−0.11
LeBaron J Coupe	4,043	0.05	0	0.00	+0.05
LeBaron GTS	68,699	0.88	95,187	1.16	−0.29
N.Y./E-Class	64,964	0.83	64,342	0.79	+0.04
Fifth Avenue	122,441	1.56	106,116	1.30	+0.27
Dodge Total	496,404	6.34	482,388	5.89	+0.45
Daytona	33,097	0.42	47,746	0.58	−0.16
Omni	163,416	2.09	136,823	1.67	+0.42
Shadow	35,137	0.45	0	0.00	+0.45
Aries	126,311	1.61	135,186	1.65	−0.04
Dodge 600	64,063	0.82	66,835	0.82	0.00
Lancer	47,817	0.61	65,097	0.80	−0.18
Diplomat	26,593	0.34	30,701	0.38	−0.04
FORD MOTOR	1,764,316	22.53	1,636,150	19.99	+2.55
Ford Division	1,221,956	15.61	1,098,647	13.42	+2.19
Escort	378,359	4.83	344,589	4.21	+0.62
EXP	0	0.00	3,842	0.05	−0.05
Mustang	177,737	2.27	187,776	2.29	−0.02
Tempo	198,808	2.54	188,124	2.30	+0.24
LTD	0	0.00	184,431	2.25	−2.25
Taurus	335,669	4.29	12,250	0.15	+4.14
Thunderbird	131,383	1.68	170,513	2.08	−0.40
Crown Victoria	0	0.00	7,122	0.09	−0.09
L-M Division	542,360	6.93	537,503	6.57	+0.36
Mercury Total	359,325	4.59	374,426	4.57	+0.02
Lynx	60,246	0.77	75,078	0.92	−0.15
Capri	12,344	0.16	20,095	0.25	−0.09
Topaz	57,576	0.74	54,060	0.66	+0.07
Cougar	101,829	1.30	129,788	1.59	−0.28
Marquis	0	0.00	84,862	1.04	−1.04
Sable	127,330	1.63	5,810	0.07	+1.56
Grand Marquis	0	0.00	4,733	0.06	−0.06
Lincoln Total	183,035	2.34	163,077	1.99	+0.35
Continental	19,628	0.25	25,259	0.31	−0.06
Lincoln	137,286	1.75	119,787	1.46	+0.29
Mark VII	26,121	0.33	18,031	0.22	+0.11
GENERAL MOTORS	4,124,730	52.68	4,822,478	58.89	−6.23
Buick Total	775,986	9.91	1,001,461	12.23	−2.32
Skyhawk	82,429	1.05	105,617	1.29	−0.24
Century	230,137	2.94	299,104	3.65	−0.71
Regal	60,897	0.78	137,018	1.67	−0.90
Skylark (X-Car)	0	0.00	40,953	0.50	−0.50
Somerset/Skylark	112,773	1.44	125,593	1.53	−0.09
LeSabre (fwd)	156,869	2.00	9,960	0.12	+1.88
LeSabre/Electra	15,192	0.19	96,652	1.18	−0.99
Electra	91,559	1.17	138,682	1.69	−0.52
Riviera	26,110	0.33	47,882	0.58	−0.25
Cadillac Total	319,096	4.08	322,765	3.94	+0.13
Cimarron	23,247	0.30	26,703	0.33	−0.03
Allante	53	0.00	0	0.00	0.00
Brougham (rwd)	76,469	0.98	39,773	0.49	+0.49
DeVille (fwd)	171,607	2.19	174,310	2.13	+0.06
Eldorado	25,246	0.32	53,301	0.65	−0.33
Seville	22,474	0.29	28,676	0.35	−0.06
Chevrolet Total	1,310,710	16.74	1,627,767	19.88	−3.14
Chevette	105,488	1.35	153,883	1.88	−0.53
Camaro	172,585	2.20	214,429	2.62	−0.42
Cavalier	395,154	5.05	492,004	6.01	−0.96
Celebrity	257,983	3.29	264,097	3.23	+0.07
Citation	0	0.00	28,697	0.35	−0.35
Corsica/Beretta	17,200	0.22	0	0.00	+0.22
Monte Carlo	110,048	1.41	138,532	1.69	−0.29
Chevrolet	223,842	2.86	289,821	3.54	−0.68
Corvette	28,410	0.36	46,304	0.57	−0.20
Oldsmobile Total	927,173	11.84	1,168,982	14.28	−2.44
Firenza	38,212	0.49	62,152	0.76	−0.27
Calais	120,629	1.54	149,829	1.83	−0.29
Cutlass Ciera	236,613	3.02	356,798	4.36	−1.34
Cutlass Supreme	107,036	1.37	235,496	2.88	−1.51
88 (fwd)	272,318	3.48	23,460	0.29	+3.19
88 (rwd)	19,028	0.24	168,940	2.06	−1.82
Olds 98	114,558	1.46	143,277	1.75	−0.29
Toronado	18,779	0.24	29,030	0.35	−0.11
Pontiac Total	791,785	10.11	701,503	8.57	+1.54
Acadian*	16,539	0.21	16,602	0.20	+0.01
Fiero	69,735	0.89	109,569	1.34	−0.45
1000	16,814	0.21	24,895	0.30	−0.09
Firebird	105,109	1.34	114,290	1.40	−0.05
2000 Sunbird	130,167	1.66	142,947	1.75	−0.08
Grand Am	231,318	2.95	143,259	1.75	+1.20
6000	132,385	1.69	58,952	0.72	+0.97
Bonneville	39,886	0.51	0	0.00	+0.51
Parisienne	49,832	0.64	90,989	1.11	−0.48
HONDA	248,159	3.17	145,337	1.78	+1.39
Civic	34,348	0.44	0	0.00	+0.44
Accord	213,811	2.73	145,337	1.78	+0.96
NISSAN	65,147	0.83	43,810	0.54	+0.30
NUMMI	205,854	2.63	64,601	0.79	+1.84
Corolla	14,318	0.18	0	0.00	+0.18
Nova	191,536	2.45	64,601	0.79	+1.66
VOLKSWAGEN	84,397	1.08	96,458	1.18	−0.10
Golf/GTI	83,247	1.06	96,458	1.18	−0.12
Jetta	1,150	0.01	0	0.00	+0.01
Total Cars U.S.	7,829,697	100.00	8,186,040	100.00	

NOTE: *—Built for sale in Canada only.

PRODUCTION

U.S. CALENDAR YEAR OUTPUT (By Size Classification)

1986 Position	1986 Total	Make	1985 Total	1985 Position
		SUBCOMPACT		
1	378,359	Escort	344,589	1
2	213,811	Accord	145,337	3
3	191,536	Nova	64,601	10
4	171,882	Horizon	142,611	4
5	163,416	Omni	136,832	5
6	105,488	Chevette	153,883	2
7	83,247	Golf/GTI	96,458	7
8	69,735	Fiero	109,569	6
9	65,147	Sentra	43,810	13
10	60,246	Lynx	75,078	8
11	46,088	Alliance	74,292	9
12	33,097	Daytona	47,746	12
13	25,327	Laser	52,209	11
14	24,348	Civic	—	
15	16,814	Pontiac 1000	24,895	15
16	16,539	Acadian*	16,602	16
17	14,318	Corolla FX-16	—	
18	3,347	Encore	36,846	14
	—	EXP	3,842	17
	1,682,745	Total	1,569,191	
		COMPACT		
1	395,154	Cavalier	492,004	1
2	198,808	Tempo	188,124	3
3	177,737	Mustang	187,776	4
4	172,585	Camaro	214,429	2
5	151,695	Reliant	162,690	5
6	130,167	2000 Sunbird	142,947	6
7	126,311	Aries	135,186	7
8	105,109	Firebird	114,290	8
9	83,163	LeBaron K	96,339	10
10	82,429	Skyhawk	105,617	9
11	57,576	Topaz	54,060	12
12	38,212	Firenza	62,152	11
13	36,855	Sundance	—	
14	35,107	Shadow	—	
15	23,247	Cimarron	26,703	13
16	12,344	Capri	20,095	14
17	1,150	Jetta	—	
	1,827,649	Total	2,002,412	
		INTERMEDIATE		
1	335,669	Taurus	12,250	22
2	257,983	Celebrity	264,097	3
3	236,613	Cutlass Ciera	356,798	1
4	231,318	Grand Am	143,259	8
5	230,137	Century	299,104	2
6	132,385	6000	90,989	14
7	131,383	Thunderbird	170,513	6
8	127,330	Sable	5,810	23
9	120,629	Calais	149,829	7
10	112,773	Somerset	125,593	12
11	110,048	Monte Carlo	138,532	9
12	107,036	Cutlass Supreme	235,496	4
13	101,829	Cougar	129,788	11
14	68,699	LeBaron GTS	95,187	13
15	64,964	New Yorker	64,342	18
16	64,063	Dodge 600	66,835	16
17	60,897	Regal	137,018	10
18	47,817	Lancer	65,097	17
19	44,368	Caravelle	49,006	19
20	17,200	Corsica/Beretta	—	
21	4,043	LeBaron J	—	
	—	LTD	184,431	5
	—	Citation	28,697	21
	—	Marquis	84,862	15
	—	Skylark	40,953	20
	2,607,184	Total	2,938,486	
		STANDARD		
1	272,318	Olds 88 (fwd)	23,460	6
2	223,842	Chevrolet	289,821	1
3	156,869	LeSabre (fwd)	9,960	8
4	49,832	Parisienne	58,952	4
5	39,886	Bonneville	—	
6	36,593	Diplomat	30,701	5
7	19,028	Olds 88 (rwd)	168,940	2
8	17,818	Gran Fury	15,180	7
9	15,192	LeSabre (rwd)	96,652	3
	—	Crown Victoria	7,122	9
	—	Grand Marquis	4,733	10
	831,378	Total	705,521	
		LUXURY		
1	171,607	DeVille	174,310	1
2	137,286	Lincoln	119,787	4
3	122,441	Fifth Avenue	106,116	5
4	114,558	Olds 98	143,277	2
5	91,559	Electra	138,682	3
6	76,469	Cadillac (rwd)	39,773	9
7	28,410	Corvette	46,304	8
8	26,121	Mark VII	18,031	13
9	26,110	Riviera	47,882	7
10	25,246	Eldorado	53,301	6
11	22,474	Seville	28,678	11
12	19,628	Continental	25,259	12
13	18,779	Toronado	29,030	10
14	53	Allante	—	
	880,741	Total	970,430	
	7,829,697	Grand Total	8,186,040	

*Built for sale in Canada only

U.S. MODEL RUN OUTPUT (By Size Classification)

1986 Position	1986 Total	Make	1985 Total	1985 Position
		SUBCOMPACT		
1	390,227	Escort	364,345	1
2	179,026	Nova	27,943	13
3	178,241	Accord	155,102	3
4	144,170	Horizon	156,073	2
5	136,701	Omni	146,731	4
6	103,244	Chevette	123,499	5
7	85,350	Golf/GTI	82,797	7
8	83,974	Fiero	76,371	9
9	71,559	Lynx	80,551	8
10	55,821	Alliance	91,664	6
11	50,763	Sentra	17,368	16
12	46,761	Daytona	50,107	12
13	43,210	Laser	58,337	11
14	21,689	1000	25,855	15
15	21,643	Acadian*	8,992	17
16	9,052	Encore	58,525	10
17	2,860	Civic	—	
	—	EXP	26,462	14
	1,624,291	Total	1,550,722	
		COMPACT		
1	432,101	Cavalier	383,785	1
2	224,410	Mustang	156,514	5
3	192,219	Camaro	180,018	3
4	166,078	Tempo	201,535	2
5	153,362	Reliant	166,966	4
6	135,101	Sunbird	111,899	7
7	122,167	Aries	141,841	6
8	110,483	Firebird	95,880	9
9	96,760	LeBaron K	101,028	8
10	91,421	Skyhawk	82,516	10
11	46,701	Firenza	49,040	12
12	46,683	Topaz	62,091	11
13	24,534	Cimarron	19,890	13
14	20,869	Capri	18,654	14
	1,862,889	Total	1,771,657	
		INTERMEDIATE		
1	287,622	Cutlass Ciera	316,753	1
2	274,507	Century	257,192	3
3	241,942	Celebrity	270,418	2
4	236,362	Taurus	—	
5	223,596	Grand Am	82,560	14
6	169,307	Cutlass Supreme	240,216	4
7	163,965	Thunderbird	151,852	6
8	151,291	Calais	106,257	10
9	137,855	Somerset	86,071	13
10	135,909	Cougar	117,274	9
11	119,210	Monte Carlo	122,057	8
12	117,887	6000	35,726	21
13	95,638	Sable	—	
14	91,230	Regal	124,546	7
15	83,478	LeBaron GTS	70,957	15
16	72,483	LTD	205,535	5
17	69,956	Dodge 600	69,352	17
18	59,533	New Yorker	70,143	16
19	56,627	Lancer	50,942	20
20	44,110	Caravelle	51,504	19
21	28,582	Marquis	104,198	11
	—	Skylark	93,157	12
	—	Citation	62,722	18
	2,861,090	Total	2,689,432	
		STANDARD		
1	245,011	Chevrolet	235,870	2
2	234,266	Olds 88 (fwd)	—	
3	94,972	LeSabre (fwd)	—	
4	85,088	Parisienne	82,107	4
5	21,073	Olds 88 (rwd)	241,765	1
6	18,153	Diplomat	41,862	6
7	18,126	LeSabre/Electra (rwd)	157,256	3
8	8,931	Gran Fury	19,168	8
	—	Crown Victoria	43,184	5
	—	Grand Marquis	37,101	7
	725,620	Total	858,313	
		LUXURY		
1	167,572	DeVille	197,093	1
2	124,572	Olds 98	169,433	2
3	119,854	Electra	136,863	3
4	117,771	Lincoln	119,878	5
5	84,917	Fifth Avenue	120,315	4
6	49,137	Cadillac (rwd)	51,701	8
7	35,109	Corvette	39,729	11
8	22,138	Riviera	65,305	7
9	21,342	Eldorado	76,401	6
10	20,056	Mark VII	18,355	13
11	19,098	Seville	39,755	10
12	19,012	Continental	28,253	12
13	15,924	Toronado	42,185	9
	816,502	Total	1,105,266	
	7,890,392	Grand Total	7,975,390	

*Built for sale in Canada only.

PRODUCTION

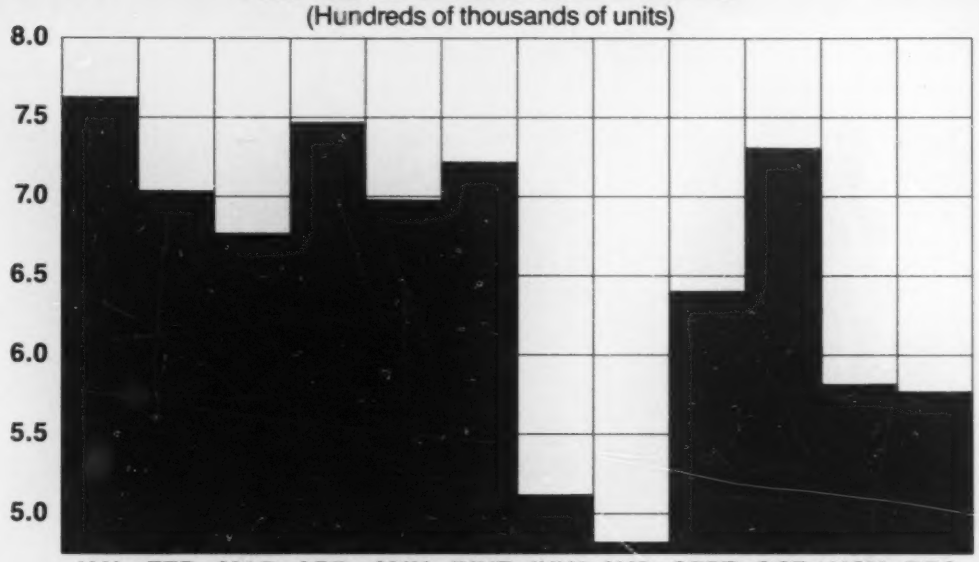
U.S. CAR PRODUCTION BY MONTHS

1981-1986

	1981	1982	1983	1984	1985	1986
January	459,862	266,858	452,949	670,687	761,921	759,222
February	482,098	311,926	511,981	695,171	673,582	702,646
March	623,571	455,808	589,394	783,807	747,433	668,838
April	653,306	474,222	549,322	672,200	757,752	741,584
May	666,389	499,242	627,517	712,979	776,811	697,077
June	712,524	546,807	692,046	684,381	694,122	722,608
July	518,456	436,644	473,239	524,872	618,537	512,588
August	397,334	353,656	536,421	557,060	550,469	480,857
September	457,731	425,047	663,210	541,792	635,329	640,760
October	535,129	415,197	717,972	701,686	760,970	731,245
November	418,948	404,542	684,263	678,927	668,083	587,724
December	354,697	383,921	614,038	554,159	541,031	584,548
Yearly Totals	6,280,045	4,973,870	7,112,352	7,777,721	8,186,040	7,829,697

PRODUCTION FOR 1986 BY MONTHS

(Hundreds of thousands of units)



WHERE 1987-MODEL CARS ARE BUILT

UNITED STATES

AMERICAN MOTORS

Kenosha, Wis. — Alliance, see Chrysler Kenosha

CHRYSLER MOTORS

Belvidere, Ill. — Omni, Horizon, Charger, Shelby Charger, Turismo
Jefferson (Detroit) — Aries, Reliant, Dodge 600, Caravelle, New Yorker
Kenosha, Wis. — Gran Fury, Diplomat, Fifth Avenue
Newark, Del. — Aries, Aries Wagon, Reliant, LeBaron, Chrysler Town & Country Wagon
St. Louis (No. 1) — LeBaron J, Reliant, Aries, Dodge 600 LeBaron K, Caravelle, Daytona
Sterling Heights, Mich. — LeBaron GTS, Lancer, Plymouth Sundance and Dodge Shadow

FORD MOTOR CO.

Atlanta — Taurus, Sable
Chicago — Taurus, Sable
Dearborn — Mustang
Edison, N.J. — Escort, Lynx
Kansas City — Tempo, Topaz
Lorain, Ohio — Thunderbird, Cougar
Wayne, Mich. — Escort, Lynx, Escort EXP
Wixom, Mich. — Lincoln, Mark VII, Continental

GENERAL MOTORS

Arlington, Texas — Monte Carlo, Cutlass Supreme
Bowling Green, Ky. — Corvette
Detroit (Clark Ave.) — Cadillac (rwd), Olds 88 (rwd), Caprice
Detroit-Hamtramck — Allante, Toronado, Riviera, Eldorado, Seville
Doraville, Ga. — Cutlass Ciera, Century
Fairfax, Kans. — Chevrolet, Olds 88, LeSabre (rwd), Parisienne
Flint, Mich. (Buick City) — LeSabre (fwd)
Framingham, Mass. — Celebrity, Cutlass Ciera
Janesville, Wis. — Cavalier, Cimarron
Lake Orion, Mich. — Cadillac/DeVille (rwd), Olds 98
Lakewood, Ga. — Chevette, 1000, Acadian
Lansing — Calais, Grand Am, Somerset
Leeds, Mo. — Cavalier, Firenza, Skyhawk
Linden, N.J. — Corsica, Beretta
Lordstown, Ohio — Cavalier, Sunbird
Norwood, Ohio — Camaro, Firebird
Oklahoma City — Celebrity, Century
Pontiac — Fiero
Pontiac (No. 8) — Cutlass Supreme, Regal
Tarrytown, N.Y. — 5000, Century
Van Nuys, Calif. — Camaro, Firebird
Wentzville, Mo. — Electra, Olds 98, Old 88 (fwd)
Willow Run, Mich. — Bonneville, Olds 88 (fwd)
Wilmington, Del. — Caprice, Corsica, Beretta

HONDA OF AMERICA MFG. CO.

Marysville, Ohio — Accord, Civic

VOLKSWAGEN OF AMERICA

Westmoreland, Pa. — Golf, GTI, Jetta

NISSAN MOTOR MFG. CO.

Smyrna, Tenn. — Sentra

NEW UNITED MOTOR MFG. INC.

Fremont, Calif. — Nova, Corolla FX-16

CANADA

AMERICAN MOTORS

Brampton, Ont. — Eagle

FORD MOTOR CO.

Oakville, Ont. — Tempo, Topaz, Escort, Lynx
St. Thomas, Ont. — Crown Victoria, Grand Marquis

GENERAL MOTORS

Oshawa, Ont. (No. 1) — Cutlass Ciera, 6000
Oshawa, Ont. (No. 2) — Celebrity
Ste. Therese, Quebec — Cutlass Supreme, Grand Prix

VOLVO

Halifax, Nova Scotia — Volvo

MEXICO

CHRYSLER

Taloka — Aries, Reliant

FORD MOTOR CO.,

Hermosillo — Mercury Tracer

GEOGRAPHICAL TRENDS IN U.S. CAR PRODUCTION

(Breakdown by states, 1986 vs. 1985)

	Total Output 1986	Pct. of Output 1986	Overall Pos., 1986	Total Output 1985	Pct. of Output 1985	Overall Pos., 1985	Pct. Pt. Change '86 vs. '85
Michigan	2,637,154	33.69	1	2,430,785	29.70	1	+3.99
Missouri	997,448	12.74	2	1,046,739	12.79	2	−0.05
Ohio	876,980	11.20	3	898,341	10.97	3	+0.23
Georgia	617,016	7.88	4	581,070	7.10	4	+0.78
Illinois	562,164	7.18	5	488,332	5.97	5	+1.21
California	342,471	4.37	6	251,632	3.07	12	+1.30
Oklahoma	267,462	3.42	7	318,748	3.89	8	−0.47
Delaware	263,855	3.37	8	450,582	5.50	6	−2.13
Wisconsin	256,116	3.27	9	373,062	4.56	7	−1.29
Kansas	209,731	2.69	10	254,904	3.11	11	−0.43
New York	194,059	2.48	11	181,166	2.21	14	+0.27
Massachusetts	153,562	1.96	12	191,718	2.34	13	−0.38
New Jersey	142,783	1.82	13	272,081	3.32	9	−1.50
Texas	130,942	1.67	14	260,322	3.18	10	−1.51
Pennsylvania	84,397	1.08	15	96,458	1.18	15	−0.10
Tennessee	65,147	0.83	16	43,810	0.54	17	+0.29
Kentucky	28,410	0.36	17	46,290	0.57	16	−0.21
TOTALS	7,829,697	100.00	—	8,186,040	100.00	—	—

WHERE 1987-MODEL TRUCKS ARE BUILT

UNITED STATES

AMERICAN MOTORS

Toledo — Jeep vehicles

CHRYSLER MOTORS

Warren, Mich. — light-duty trucks, Ramcharger, standard and mid-size trucks
St. Louis (No. 2) — stretch minivans

FORD MOTOR CO.

Kansas City — light trucks
Kentucky Truck (Louisville) — medium, heavy and extra-heavy trucks
Lorain, Ohio — Econoline, Club Wagon
Louisville — Ranger, Bronco II
Michigan Truck (Wayne) — Bronco, light trucks
Norfolk — light trucks
St. Louis — Aerostar minivans
Twin Cities — light trucks, Ranger

FREIGHTLINER CORP.

Mount Holly, N.C. — heavy trucks
Portland, Ore. — heavy trucks

GENERAL MOTORS

Baltimore — Chevrolet Astro, GMC Safari, compact vans
Detroit — commercial, recreational, specialty vehicle chassis
Flint — Chevrolet, GMC pickups, Blazer, Jimmy, Suburban wagons, CUCV military vehicles
Janesville, Wis. — Chevrolet, GMC light trucks
Lordstown, Ohio — Chevrolet, GMC vans
Moraine, Ohio — Chevrolet S-10, GMC S-15 trucks
Pontiac — Chevrolet, GMC light and medium-duty trucks, GMC heavy trucks, Chevrolet S-10 and GMC S-15 trucks, buses
Shreveport, La. — Chevrolet S-10, GMC S-15 trucks, Blazer, Jimmy
St. Louis — Chevrolet, GMC light trucks

KENWORTH TRUCK CO.

Chillicothe, Ohio — heavy trucks
Seattle — heavy trucks

NAVISTAR INTERNATIONAL

Springfield, Ohio — medium and heavy trucks

MACK TRUCKS, INC.

Allentown, Pa. — heavy trucks
Macungie, Pa — heavy trucks

MERCEDES-BENZ TRUCK CO.

Hampton, Va. — medium trucks

NISSAN MOTOR MFG. CO.

Smyrna, Tenn. — pickup trucks

PETERBILT MOTORS CO.

Denton, Tex. — heavy trucks
Nashville — heavy trucks

VOLVO WHITE TRUCK CORP.

Dublin, Va. — heavy trucks
Ogden, Utah — heavy trucks

CANADA

AMERICAN MOTORS

Brampton, Ont. — Jeep Wrangler

CHRYSLER CORP.

Windsor, Ont. — Dodge Caravan, Plymouth Voyager minivans, Mini Ram Van
Pillete Rd. (Windsor) — Dodge Ram Van, Ram Wagon

FORD MOTOR CO.

Ontario Truck (Oakville) — light trucks

FREIGHTLINER OF CANADA LTD.

Burnaby, B.C. — heavy trucks

GENERAL MOTORS

Oshawa — Chevrolet, GMC pickups
St. Eustache, Que. — buses
Scarborough, Ont. — full-size Chevrolet and GMC vans

INTERNATIONAL HARVESTER

Chatham, Ont. — medium and heavy trucks

MACK TRUCKS INC.

Oakville, Ont. — heavy trucks

MEXICO

GENERAL MOTORS

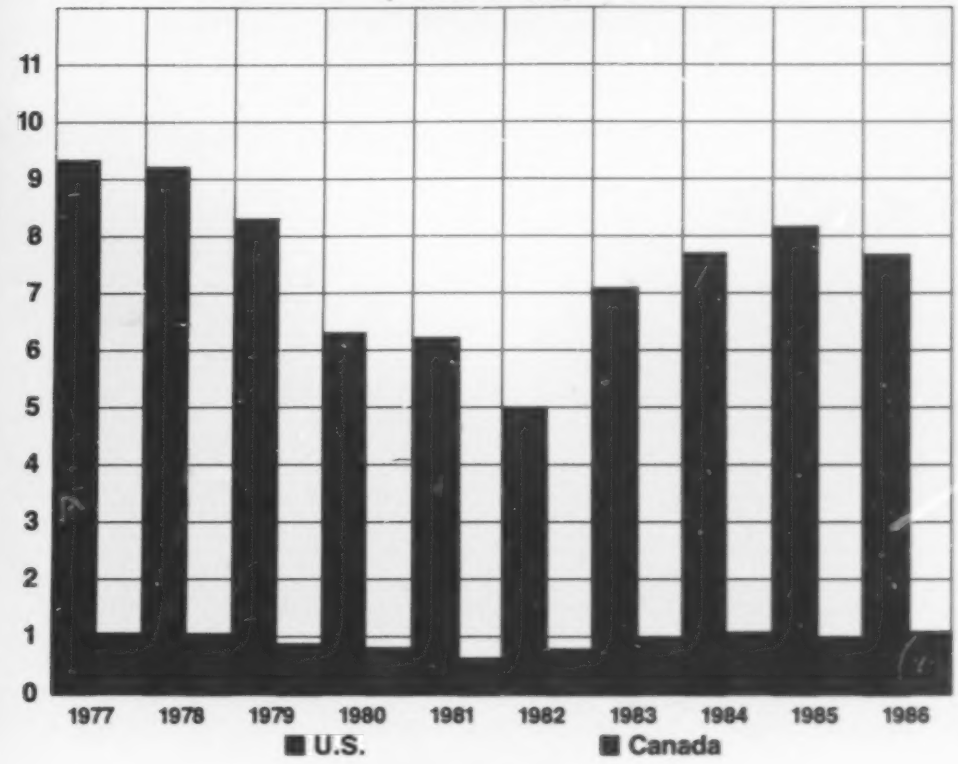
Ramos Arizpe — Chevrolet, El Camino

CHRYSLER

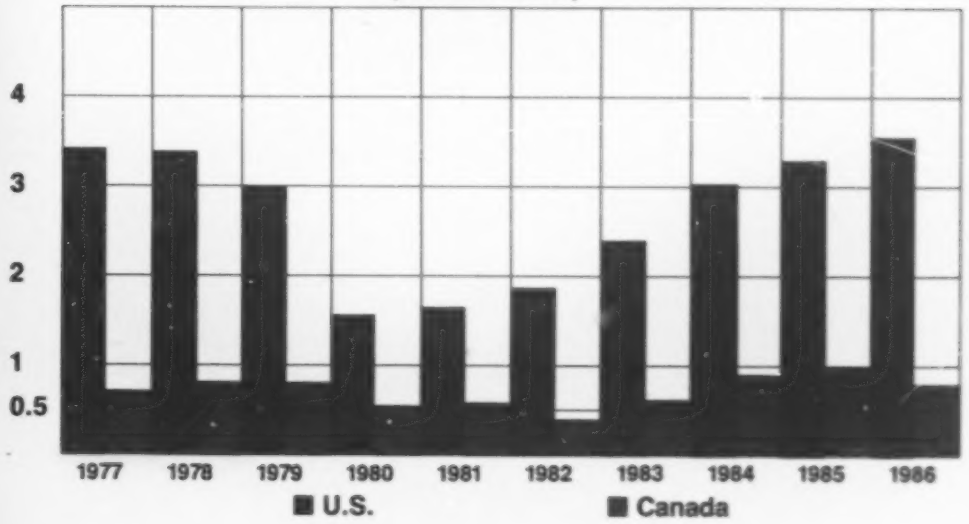
Lago Alberto — Ramcharger

PRODUCTION

NORTH AMERICAN AUTO PRODUCTION
(Millions of units)



NORTH AMERICAN TRUCK PRODUCTION
(Millions of units)



U.S. VAN AND LIGHT TRUCK OUTPUT, '86 vs. '85

	Year '86 Output	% of '86 Output	Year '85 Output	% of '85 Output
CHEVROLET	1,179,376	37.98	1,325,491	39.74
Chevy Van/Sportvan	149,426	4.81	171,329	5.14
S-10	185,879	5.99	250,194	7.50
S-10 Blazer	140,733	4.53	231,005	6.95
Blazer	38,588	1.24	40,011	1.20
Astro	148,336	4.78	90,104	2.70
Suburban	64,204	2.07	64,670	1.94
Pickups	417,381	12.44	430,000	12.90
P Models	34,859	1.12	46,978	1.41
CHRYSLER	178,385	5.76	213,930	6.41
Ramcharger	26,139	0.84	19,708	0.59
Dakota	59,699	1.92	——	——
Pickups	92,556	3.00	194,164	5.82
FORD	1,105,890	35.62	1,148,279	34.44
Bronco	38,102	1.26	52,724	1.58
Bronco II	73,908	2.38	111,351	3.34
Econoline/Club Wagon	149,298	4.81	230,982	6.92
Pickups	540,126	17.40	438,512	13.18
Ranger	196,997	6.31	264,709	7.94
Aerostar	107,459	3.46	49,281	1.48
GMC	325,709	110.50	313,476	9.41
Vandura/Rally Vans	23,773	0.77	22,885	0.68
S-15	63,192	2.04	57,740	1.73
S-15 Jimmy	46,471	1.50	51,582	1.55
Jimmy	9,443	0.31	11,525	0.35
Safari	39,006	1.26	34,481	1.03
Suburban	25,883	0.83	23,858	0.72
Pickups	105,517	3.39	105,651	3.17
P Models	12,415	0.40	5,842	0.18
AMC/JEEP	207,514	6.68	225,914	6.78
Cherokee	107,225	3.47	120,328	3.61
CJ	18,414	0.59	46,553	1.40
Pickups	1,515	0.05	1,953	0.06
Wagoneer	12,809	0.41	10,821	0.30
Grand Wagoneer	17,254	0.56	17,814	0.53
Comanche	33,396	1.06	29,245	0.88
Scrambler	'67	0.01	——	——
Wrangler	16,853	0.54	——	——
NISSAN	108,116	3.48	107,422	3.22
Pickups	108,116	3.48	107,422	3.22
TOTAL	3,104,981	100.00	2,334,512	100.00

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1986 TRUCKS — U.S. PRODUCTION TOTALS, MAKES AND MONTHS

COMPANY	JANUARY	FEBRUARY	MARCH	FIRST QUARTER TOTAL	APRIL	MAY	JUNE	SECOND QUARTER TOTAL	JULY	AUGUST	SEPTEMBER	THIRD QUARTER TOTAL	OCTOBER	NOVEMBER	DECEMBER	FOURTH QUARTER TOTAL	GRAND TOTAL
CHEVROLET	111,637	105,747	101,139	318,523	108,626	96,481	97,202	302,309	101,992	79,039	103,121	284,152	107,477	72,983	67,044	247,504	1,152,488
DODGE	0	0	134	134	6,141	11,456	17,050	34,647	15,947	15,481	21,892	53,320	23,820	21,022	19,373	64,215	152,316
FORD	125,933	120,338	116,694	362,965	136,325	132,574	121,772	390,671	93,367	115,717	123,532	332,616	105,816	86,295	109,282	301,393	1,387,645
GMC	32,110	29,687	30,501	92,298	32,929	31,216	29,912	94,057	31,213	23,610	32,237	87,060	34,719	25,554	24,890	86,163	359,578
NAVISTAR	6,500	5,964	6,317	18,781	6,872	6,638	6,806	20,316	2,205	6,441	6,819	15,465	7,229	5,770	5,500	18,499	73,061
JEEP	23,913	16,673	16,216	56,802	12,621	14,883	15,952	43,456	9,902	12,182	18,487	40,571	21,561	16,757	14,141	52,459	193,288
NISSAN	2,650	7,337	8,476	18,463	13,308	16,078	16,836	46,222	7,455	8,090	7,658	23,203	7,811	6,516	5,901	20,228	108,116
AM GENERAL*	222	200	200	622	220	220	210	650	222	210	220	652	230	180	170	580	2,504
MISCELLANEOUS*	9,400	9,600	9,600	28,600	9,120	10,120	9,660	28,900	10,212	9,660	10,120	29,992	10,580	8,280	7,820	26,680	114,172
TOTAL TRUCKS, U.S.	312,365	295,546	289,277	897,188	326,162	319,666	315,400	961,228	272,515	270,430	324,086	867,031	319,243	244,357	254,121	817,721	3,543,168

NOTE: *—Actual figures for AM General and Miscellaneous trucks were not reported in 1986. These figures are Automotive News estimates.

1986 TRUCKS — CANADIAN PRODUCTION TOTALS, MAKES AND MONTHS

COMPANY	JANUARY	FEBRUARY	MARCH	FIRST QUARTER TOTAL	APRIL	MAY	JUNE	SECOND QUARTER TOTAL	JULY	AUGUST	SEPTEMBER	THIRD QUARTER TOTAL	OCTOBER	NOVEMBER	DECEMBER	FOURTH QUARTER TOTAL	GRAND TOTAL
AMERICAN MOTORS	0	0	2,264	2,264	3,903	3,382	3,458	10,743	3,068	2,161	3,098	8,327	2,798	2,420	967	6,185	27,519
CHRYSLER	38,550	35,954	37,247	111,751	37,718	34,876	33,811	106,405	15,720	32,888	35,868	84,476	36,565	34,986	30,606	102,157	404,789
FORD	15,598	13,747	14,308	43,653	16,075	15,056	14,289	45,420	5,437	14,126	14,873	34,436	7,611	6,947	10,032	24,590	148,099
GM	26,231	26,515	25,525	78,271	27,817	24,005	24,141	75,963	23,921	1,299	6,260	31,480	5,648	4,102	5,199	14,949	200,663
NAVISTAR	736	768	870	2,374	1,012	924	783	2,719	516	659	841	2,016	875	791	679	2,345	9,454
TOTAL	81,115	76,984	80,214	238,313	86,525	78,243	76,482	241,250	48,662	51,133	60,940	160,735	53,497	49,246	47,483	150,226	790,524

NOTE: General Motors includes CKD units.

PRODUCTION

Car production in Canada fell 1.62 percent in the 1986 calendar year to 1,073,312 units versus 1,090,983 in 1985.

Although Canadian production dropped in 1986, it was the second-highest annual volume in the nation since 1978.

Most of the production loss was attributed to General Motors, which reduced output by 33,141 units in 1986, or 5.78 percent below its 1985 total. GM produced 540,546 cars in 1986 and 573,687 in 1985.

Reversing GM's position was Ford Motor Co., which boosted production by 21,463 or 4.33 percent. Ford made 517,418 cars in 1986 compared to 495,955 in 1985.

AMC production fell by 60.82 percent to 4,432 cars in 1986 compared to 11,311 in 1985.

Honda, which started production of cars in Canada in October 1986, made 526 units. Volvo produced 10,390 cars in 1986 compared to 10,030 in 1985, an increase of 3.59 percent. ■

CANADIAN CAR PRODUCTION BY CORPORATION, YEAR

	AMC	Bricklin	Chrysler	Ford	Honda	GM	Renault	Studebaker	Volvo	Total
1986	4,432	—	—	517,418	526	540,526	—	—	10,390	1,073,312
1985	11,311	—	—	495,955	—	573,687	—	—	10,030	1,090,983
1984	22,992	—	—	463,296	—	565,457	—	—	10,438	1,062,183
1983	29,551	—	104,365	272,642	—	551,826	—	—	10,390	968,774
1982	30,344	—	149,442	283,001	—	332,038	—	—	6,860	801,685
1981	34,535	—	69,149	191,928	—	437,622	—	—	10,336	743,570
1980	3,077	—	71,530	249,876	—	512,330	—	—	9,964	846,770
1979	—	—	134,086	284,610	—	517,471	—	—	8,766	944,933
1978	26,283	—	160,085	372,296	—	564,187	—	—	8,199	1,131,050
1977	41,708	—	219,747	341,329	—	198,456	—	—	4,506	805,746
1976	42,269	—	245,332	371,305	—	475,090	—	—	9,486	1,143,482
1975	48,373	2,085	261,275	324,783	—	406,323	—	—	13,763	1,056,602
1974	58,002	—	225,478	387,880	—	461,596	—	—	10,081	1,143,037
1973	74,290	—	260,722	445,299	—	443,806	—	—	10,449	1,234,566
1972	58,920	—	265,773	458,972	—	354,167	7,658	—	9,448	1,154,938
1971	42,908	—	232,749	392,433	—	406,186	11,930	—	8,280	1,094,486
1970	47,796	—	239,032	396,243	—	222,676	9,591	—	8,200	923,538
1969	35,819	—	201,115	391,105	—	391,561	9,739	—	6,015	1,035,354
1968	41,726	—	219,151	287,286	—	338,016	—	—	5,670	891,849
1967	33,094	—	186,675	177,689	—	312,275	—	—	4,351	714,084
1966	32,912	—	172,960	198,498	—	285,984	—	2,045	3,701	696,100
1965	31,347	—	135,846	169,176	—	351,304	—	18,542	3,353	709,568
1964	35,129	—	104,734	153,243	—	246,466	—	17,614	2,206	559,392

CANADIAN CAR OUTPUT SHARES, '86 vs. 85

	Total Output 1986	Pct. of 1986 Output	Total Output 1985	Pct. of 1985 Output	Pct. Pt. Change '86 vs '85
AMC—Eagle	4,432	0.41	11,311	1.04	– 0.63
FORD	517,418	48.21	495,955	45.46	+ 2.75
Escort	72,032	6.71	53,917	5.86	+ 0.85
Lynx	12,093	1.13	15,768	1.45	– 0.32
Tempo	126,779	11.81	124,735	11.43	+ 0.38
Topaz	42,075	3.96	37,208	3.41	+ 0.55
Crown Victoria	139,130	12.96	139,543	12.79	+ 0.17
Grand Marquis	125,309	11.67	114,764	10.52	+ 1.12
HONDA*	526	0.05	—	—	—
GENERAL MOTORS	540,546	50.36	573,687	52.58	– 2.22
Celebrity	187,730	17.49	N.A.	—	
Grand Prix	36,024	3.36	N.A.	—	
Bonneville	26,251	2.45	N.A.	—	
6000	96,169	8.96	N.A.	—	
Cutlass Supreme	84,947	7.91	N.A.	—	
Cutlass Ciera	97,937	9.12	N.A.	—	
CKDs	11,488	-1.07	10,704	0.98	+ 0.09
VOLVO	10,390	0.97	10,030	0.92	+ 0.05
TOTAL	1,073,312	100.00	1,090,983	100.00	

NOTE: *—Honda began manufacturing vehicles in Canada in October 1986.

CANADIAN CAR PRODUCTION, BY CALENDAR YEAR

1986	1,073,312
1985	1,090,983
1984	1,062,183
1983	968,774
1982	801,685
1981	642,587
1980	846,777
1979	944,933
1978	1,131,050
1977	1,129,575
1976	1,143,842
1975	1,056,602
1974	1,143,037
1973	1,234,566
1972	1,154,938
1971	1,094,486
1970	923,538
1969	1,035,354
1968	891,849
1967	714,084
1966	696,100
1965	709,568
1964	559,392
1963	532,915
1962	428,189
1961	326,841
1960	325,282
1959	300,849

CANADIAN TRUCK PRODUCTION, BY CALENDAR YEAR

1986	790,524
1985	845,528
1984	815,783
1983	560,864
1982	468,327
1981	555,829
1980	526,277
1979	657,436
1978	674,687
1977	569,329
1976	497,430
1975	389,728
1974	338,558
1973	352,934
1972	304,757
1971	277,842
1970	233,938
1969	315,354
1968	277,649
1967	225,551
1966	200,019
1965	142,706
1964	109,116
1963	98,454
1962	79,808
1961	62,903
1960	70,040
1959	67,523

1986 CANADIAN CAR PRODUCTION TOTALS, MAKES AND MONTHS

COMPANY	JANUARY	FEBRUARY	MARCH	FIRST QUARTER	APRIL	MAY	JUNE	SECOND QUARTER	JULY	AUGUST	SEPTEMBER	THIRD QUARTER	OCTOBER	NOVEMBER	DECEMBER	FOURTH QUARTER	GRAND TOTAL
AMC—Eagle	1,200	0	354	1,554	494	334	0	828	0	245	486	731	521	554	244	1,319	4,432
FORD—Tempo	12,137	10,526	11,337	34,000	13,157	12,922	12,150	38,229	4,555	10,973	7,985	23,513	10,777	10,855	9,405	31,037	126,779
Topaz	4,734	4,161	4,030	12,925	3,707	3,099	3,161	9,967	1,129	3,081	4,172	8,382	3,948	4,041	2,812	10,801	42,075
Crown Victoria	13,462	12,132	12,192	37,786	13,328	11,899	11,531	36,758	7,626	11,211	12,498	31,335	12,893	11,260	9,098	33,251	139,130
Grand Marquis	11,080	9,804	9,852	30,736	11,482	11,475	10,353	33,310	6,896	9,696	10,833	27,425	11,812	11,787	10,239	33,838	125,309
Escort	7,053	6,597	6,630	20,280	7,497	6,778	5,862	20,137	2,376	5,976	5,024	13,376	6,747	6,636	4,856	18,239	72,032
Lynx	1,368	739	1,042	3,149	928	1,245	1,787	3,960	437	988	1,046	2,471	583	741	1,189	2,513	12,093
FORD TOTAL	49,834	43,959	45,083	138,876	50,099	47,418	44,844	142,361	23,019	41,925	41,558	106,502	46,760	45,320	37,599	129,679	517,418
GM—Celebrity	21,204	17,754	17,346	56,304	19,325	17,441	18,035	54,801	12,045	1	13,988	26,034	19,042	17,230	14,319	50,591	187,730
Grand Prix	4,730	4,920	4,328	13,978	4,431	2,220	1,416	8,067	251	1,480	3,139	4,870	4,191	2,441	2,477	9,109	36,024
Bonneville	5,579	5,743	5,465	16,787	5,557	2,226	1,681	9,464	0	0	0	0	0	0	0	0	26,251
Pontiac 6000	780	6,632	9,436	16,848	10,076	9,423	11,802	31,301	11,745	210	7,183	19,138	11,524	9,247	8,111	28,882	96,169
Cutlass Supreme	2,453	4,286	5,145	11,884	6,491	11,163	11,129	28,783	2,011	3,811	8,673	14,495	12,275	8,829	8,681	29,785	84,947
Cutlass Ciera	466	4,595	10,643	15,704	12,657	8,960	11,229	32,846	7,324	235	6,771	14,330	12,418	12,010	10,629	35,057	97,937
CKD Car	345	280	533	1,158	1,413	1,488	929	3,830	1,134	675	967	2,776	1,643	1,132	949	3,724	11,488
GM Total	35,557	44,210	52,896	132,663	59,950	52,921	56,221	169,092	34,510	6,412	40,721	81,643	61,093	50,889	45,166	157,148	540,546
HONDA	0	0	0	0	0	0	0	0	0	0	0	0	83	199	244	526	526
VOLVO	986	855	899	2,740	990	945	945	2,880	990	270	945	2,205	945	855	765	2,565	10,390
GRAND TOTAL	87,577	89,024	99,232	275,833	111,533	101,618	102,010	315,161	58,519	48,852	83,710	191,081	109,402	97,817	84,018	291,237	1,073,312

SALES/REGISTRATIONS

From a vehicle-marketing standpoint, the United States was an exciting arena in 1986.

It had everything from sales records, import price hikes and distress selling of domestic makes to cut-rate financing and limited-option price leaders.

Total vehicle sales — cars and trucks combined — in 1986 rose to a record 16,333,931 units, up 3.86 percent from 15,727,482 units sold in calendar 1985.

Industry new-car sales rose above the 11-million mark for the second straight year, reaching a record 11,463,092 units versus 11,045,784 units delivered in 1985. The previous record was 11,446,589 in 1973.

New-truck deliveries, largely a reflection of increasing versatility and popularity of light trucks and minivans, climbed to 4,870,839 units, up 3.89 percent from 4,680,453 in 1985.

Light trucks numbered 4,601,606 in 1986, up 4.64 percent from 4,397,705 in 1985.

Sales of imported cars were able to overcome woes stemming from major switches in the value of the U.S. dollar relative to overseas currencies.

Imported car sales in 1986 totaled 3,248,430 units, up 14.34 percent from the 2,841,063 units sold in 1985.

Domestic car sales in 1986 totaled 8,214,662 units, up 0.12 percent from the 8,204,721 units sold in 1985.

Chrysler Motors in 1986 sold more vehicles (domestic and import models) in the United States than ever in its history, and finished the year with domestic car sales at the third-highest level in company history.

General Motors car sales in 1986 were the best since 1979, with Chevrolet, Pontiac and Cadillac scoring increases over 1985. Oldsmobile sold more than 1 million cars for the fourth time in division history, as 1986 became Oldsmobile's second-best year ever, topped only by the record set in 1985.

American Honda Motor Co. sold 235,247 cars in 1986 compared to 1985's 145,976, a rise of 61.15 percent. Nissan Motor Corp. in U.S.A. sold 52,602 cars in 1986 compared to 39,794 in 1985, up 32.19 percent.

Volkswagen of America Inc. sold 73,911 cars in 1986, down 4.90 percent from 1985's 77,716 units. ■

CANADIAN REGISTRATIONS OF NEW VEHICLES

	Cars	Trucks	Total
1953	362,409	101,252	463,661
1954	307,651	69,955	377,606
1955	381,782	73,689	455,471
1956	404,604	85,692	490,296
1957	391,661	76,782	468,443
1958	381,591	66,034	447,625
1959	427,274	74,824	502,098
1960	450,840	73,682	524,522
1961	440,377	74,738	515,115
1962	501,030	81,495	582,525
1963	541,942	90,608	632,550
1964	607,503	104,175	711,678
1965	686,828	115,660	802,488
1966	683,639	128,506	812,145
1967	667,814	130,964	798,778
1968	737,605	142,201	879,806
1969	756,015	153,277	909,292
1970	636,206	129,359	765,565
1971	745,026	138,876	883,902
1972	812,753	180,748	993,501
1973	935,533	234,683	1,170,216
1974	901,097	287,619	1,188,716
1975	839,942	265,015	1,104,957
1976	898,253	305,606	1,203,859
1977	953,078	333,551	1,286,629
1978	958,414	349,294	1,307,708
1979	998,004	382,074	1,380,078
1980	948,967	335,827	1,284,794
1981	891,558	281,536	1,173,094
1982	727,097	204,794	931,891
1983	830,457	223,917	1,054,374
1984	914,679	292,273	1,206,952
1985	1,146,251	393,396	1,539,647
1986*	989,759	390,736	1,380,495

NOTE: *—Quebec figures are incomplete.
SOURCE: R.L. Polk & Co.

WESTERN EUROPE CAR REGISTRATIONS BY MAKE, '86 vs. '85

	1986	1985
Ford	1,353,748	1,257,218
Fiat-Lancia	1,452,832	1,294,441
VW-Audi	1,473,920	1,360,307
Peugeot SA	1,320,733	1,225,422
Opel-GM	1,259,388	1,190,461
Renault	1,227,848	1,129,124
Jaguar	11,618	12,567
Daimler-Benz	436,837	395,080
BMW	295,542	287,932
Nissan	337,520	297,932
Volvo	267,120	254,261
Toyota	332,945	270,840
Mazda	238,361	202,423
Alfa Romeo	170,471	158,405
SEAT	216,529	144,806
Honda	134,087	113,883
Mitsubishi	139,862	113,706
Lada	107,631	89,551
Saab	68,284	59,535
Suzuki	65,509	48,559
Skoda	37,221	32,763
Subaru	50,442	39,972
Daihatsu	36,500	28,828
Porsche	20,338	20,407
Isuzu	7,545	5,469
Wartburg	2,953	3,001
Rover Group	408,027	419,566
Zastava	12,097	8,467
Hyundai	10,350	5,608
FSO	7,493	8,918
Rolls-Royce	851	720
Japanese makes	1,342,771	1,121,612
Others	35,443	45,231
Totals	11,540,045	10,525,403

SOURCE: AID Ltd. Re-use or re-publication without permission is prohibited.

JAPANESE-CAR REGISTRATIONS AND MARKET SHARES IN EUROPE

	1986 Volume (Units)	Market Share (Pct.)	1985 Volume (Units)	Market Share (Pct.)	Change '85-'84 (Pct.)
Nissan	337,520	2.92	297,932	2.83	13.29
Toyota	332,945	2.89	270,840	2.57	22.93
Mazda	238,361	2.07	202,423	1.92	17.75
Mitsubishi	139,862	1.21	113,706	1.08	23.00
Honda	134,087	1.16	113,883	1.08	17.74
Suzuki	65,509	0.57	45,889	0.44	42.76
Subaru	50,442	0.44	39,972	0.38	26.19
Daihatsu	36,500	0.32	28,828	0.27	26.61
Isuzu	7,545	0.07	5,469	0.05	37.96
Japanese Total	1,342,771	11.64	1,118,942	10.63	20.00
Total European Registrations	11,540,045		10,525,403		9.64

SOURCE: AID Ltd. Re-use or re-publication without permission is prohibited.

WESTERN EUROPE CAR REGISTRATIONS BY COUNTRY, 1986 vs. 1985

Country	1986	1985	% Change
Austria	262,175	242,670	8.0
Belgium	395,039	359,831	9.8
Denmark	169,386	157,474	7.6
Ireland	57,781	60,593	(4.6)
Finland	143,183	138,272	3.6
France	1,911,521	1,766,328	8.2
Germany	2,829,438	2,379,261	18.9
Italy	1,825,383	1,745,899	4.6
Netherlands	560,512	495,685	13.1
Norway	167,352	159,079	5.2
Portugal	109,669	104,195	5.3
Sweden	270,070	263,033	2.7
Switzerland	300,170	265,467	13.1
Spain	655,892	555,589	18.1
United Kingdom	1,882,474	1,832,027	2.8
Total	11,540,045	10,525,403	9.6

SOURCE: AID Ltd. Re-use, re-publication without permission is prohibited.

WESTERN EUROPEAN CAR REGISTRATIONS AND MARKET SHARES, 1986

	Austria	Belgium	Denmark	Ireland	Finland	France	Germany	Italy	Netherlands	Norway	Portugal	Sweden	Switzerland	Spain	U.K.	Total	Market Share
VW-Audi Group	57,415	56,556	13,543	4,285	10,244	114,773	809,653	142,253	52,394	16,382	634	31,046	47,716	7,789	109,237	1,473,920	12.77
Fiat-Lancia	15,164	16,265	8,416	3,187	5,507	114,896	124,325	992,323	36,007	7,130	13,180	7,168	23,912	20,237	65,115	1,452,832	12.59
Ford	26,170	35,082	20,313	8,052	11,179	131,077	297,007	69,474	57,812	25,051	6,126	29,944	24,394	96,700	515,367	1,353,748	11.73
Peugeot SA	16,920	55,260	13,030	1,965	6,776	612,979	135,591	124,121	65,177	9,880	15,523	7,579	26,679	108,159	121,094	1,320,733	11.44
Opel-GM	31,332	46,256	27,072	6,381	12,688	91,011	421,339	58,163	92,480	20,056	14,381	24,379	39,138	90,195	284,517	1,259,388	10.91
Renault	12,284	33,083	856	2,765	1,194	602,910	88,279	159,328	27,713	1,210	36,411	3,484	16,551	172,519	69,261	1,227,848	10.64
Mercedes-Benz	10,379	12,037	1,573	512	3,128	23,235	303,044	21,464	13,317	4,112	513	7,906	9,092	6,538	19,987	436,837	3.79
Rover Group	397	4,956	308	3,023	43	39,633	13,056	25,717	5,365	3	7,099	2	2,250	8,709	297,466	408,027	3.54
Nissan	13,070	16,542	9,831	6,732	15,259	16,531	82,472	16	27,337	10,213	2,341	15,019	11,494	749	109,914	337,520	2.92
Toyota	16,296	27,646	20,656	9,948	18,653	12,628	91,740	859	29,903	19,224	5,384	18,080	24,555	1,571	35,802	332,945	2.89
BMW	7,287	10,046	3,527	477	2,590	30,519	147,826	19,824	12,777	4,405	1,004	4,503	9,168	5,691	35,898	295,542	2.56
Volvo	3,663	9,960	6,483	869	7,370	19,260	17,325	16,720	29,056	13,790	848	64,630	5,617	2,557	68,972	267,120	2.31
Mazda	22,118	9,596	17,281	3,039	9,223	14,334	86,172	27	23,080	12,695	320	12,707	9,447	340	17,982	238,361	2.07
SEAT	1,486	5,314	1,101	402	2,120	25,103	5,469	43,347	4,347	0	3,022	0	3,350	115,551	5,917	216,529	1.88
Alfa Romeo	2,287	3,304	532	89	229	17,075	6,703	112,126	4,022	212	1,193	1,243	6,700	12,523	2,233	170,471	1.48
Mitsubishi	6,659	9,985	4,060	1,712	6,918	3,204	62,909	474	14,629	5,968	81	2,346	8,391	715	11,811	139,862	1.21
Honda	5,536	10,268	3,283	1,176	4,946	9,354	45,881	187	14,834	4,682	827	3,995	8,162	457	20,499	134,087	1.16
Lada	1,962	15,635	4,308	54	12,710	21,132	10,807	2,054	12,737	2,766	0	1,789	0	1,365	20,312	107,631	0.93
Saab	465	1,644	1,651	214	6,688	2,204	4,698	3,100	2,563	3,055	90	29,279	1,817	485	10,331	68,284	0.59
Suzuki	3,902	3,061	325	1,028	1,367	0	22,880	6,615	15,857	982	127	1,123	3,671	83	4,288	65,509	0.57
Subaru	3,962	3,157	638	553	606	0	15,832	202	4,303	3,133	374	1,497	12,190	21	3,974	50,442	0.44
Skoda	992	3,484	3,627	33	1,755	2,672	3,380	1,603	5,030	452	0	170	111	1,137	12,775	37,221	0.32
Daihatsu	1,506	1,856	3,340	735	660	0	11,970	282	6,461	1,626	2	1,585	1,099	32	5,345	36,500	0.32
Porsche	464	479	24	11	17	1,606	10,469	749	210	26	22	461	1,608	487	3,705	20,338	0.18
Zastava	0	562	1,261	0	0	1,054	0	0	695	0	0	0	0	0	8,525	12,097	0.10
Jaguar	126	297	34	31	23	386	1,793	263	380	60	0	34	350	262	7,579	11,618	0.10
Hyundai	0	65	0	0	0	0	0	1,391	1,399	0	0	0	0	0	7,495	10,350	0.09
Isuzu	88	97	3	191	226	0	5,692	0	79	97	0	15	817	10	230	7,545	0.07
FSO	0	954	1,221	18	435	0	0	0	307	0	0	0	0	0	4,558	7,493	0.06
Wartburg	0	936	763	0	508	0	0	0	0	0	0	0	0	746	0	2,953	0.06
Rolls-Royce	4	0	0	1	0	0	0	34	0	0	0	4	0	0	808	851	0.03
Others	241	656	326	298	121	3,945	3,126	22,667	241	142	167	81	1,691	264	1,477	35,443	0.31
TOTALS	262,175	395,039	169,386	57,781	143,183	1,911,521	2,829,438	1,825,383	560,512	167,352	109,669	270,070	300,170	655,892	1,882,474	11,540,045	100.0
Japanese	73,137	82,208	59,417	25,114	57,858	56,051	425,548	8,662	136,483	58,620	9,456	56,368	80,026	3,978	209,845	1,342,771	
Japanese percent	27.9	20.8	35.1	43.5	40.4	2.9	15.0	0.5	24.3	35.0	8.6	20.9	26.7	0.6	11.1	11.6	

SOURCE: AID Ltd. Re-use, re-publication without permission is prohibited.

SALES/REGISTRATIONS

DOMESTIC-CAR SALES BY NAMEPLATE AND MONTH, 1986

Sales and Rankings, 1986 vs. 1985

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total 1986	1986 Position	Total 1985	1985 Position
AMERICAN MOTORS	6,389	6,472	6,300	5,202	5,117	5,726	5,186	5,569	11,115	7,569	3,860	4,348	72,853	0	123,449	0
Total Renault	5,467	5,850	5,609	4,617	4,564	5,168	4,716	5,221	10,057	6,647	3,119	3,484	64,519	0	110,673	0
Alliance	4,257	4,617	4,373	3,718	3,718	4,281	3,325	3,479	7,776	5,356	2,411	2,534	49,845	51	71,494	43
Encore	1,210	1,233	1,236	899	846	887	1,391	1,742	2,281	1,291	708	950	14,674	75	39,179	62
Total AMC	922	622	691	585	553	558	470	348	1,058	922	741	864	8,334	0	12,776	0
Eagle	922	622	691	585	553	558	470	348	1,058	922	741	864	8,334	79	12,776	76
CHRYSLER MOTORS	78,195	80,322	90,945	101,270	107,867	109,052	98,835	100,569	140,451	102,269	71,830	91,858	1,173,463	0	1,139,936	0
Total Plymouth	27,079	26,027	24,597	28,180	35,449	36,160	28,211	28,382	38,201	31,456	25,231	33,825	362,798	0	329,731	0
Horizon	6,108	6,673	6,827	8,119	12,956	13,452	10,820	10,577	9,800	8,780	8,087	8,893	111,092	28	84,500	40
Sundance	0	0	0	0	0	77	573	2,144	2,904	3,809	4,743	6,090	20,340	69	0	0
Turismo	3,318	3,615	3,798	3,926	3,763	3,772	4,146	4,885	7,500	3,296	1,242	1,481	44,742	53	52,817	54
Reliant	14,351	11,686	8,896	10,698	12,896	13,209	8,404	7,433	11,515	10,540	7,688	12,727	130,043	22	138,833	19
Caravelle	2,391	2,835	3,730	3,940	3,987	3,987	2,648	1,907	4,418	3,575	2,455	3,265	39,138	54	35,954	64
Plymouth	911	1,218	1,346	1,497	1,847	1,663	1,620	1,436	2,064	1,456	1,016	1,369	17,443	73	17,627	74
Total Chrysler	23,247	24,597	31,371	34,590	31,449	30,077	31,421	32,334	47,395	30,319	15,780	21,308	353,888	0	375,880	0
Laser	2,204	1,364	2,768	3,252	2,938	2,697	2,518	2,522	3,766	2,253	653	827	27,762	61	50,957	55
LeBaron K	7,394	8,519	8,110	9,955	9,387	9,234	8,167	7,539	10,618	6,191	3,773	4,874	93,761	37	87,482	37
LeBaron J	0	0	0	0	0	0	0	0	0	0	9	822	831	82	0	0
LeBaron GTS	4,536	5,921	6,094	7,427	4,340	4,000	5,500	6,144	9,808	6,637	2,705	3,872	66,984	44	71,018	45
Fifth Avenue	5,155	5,523	9,340	8,785	9,927	9,761	10,544	10,855	15,224	9,712	5,500	6,571	106,897	32	109,010	31
New Yorker	3,958	3,270	5,059	5,171	4,857	4,385	4,692	5,274	7,979	5,526	3,140	4,342	57,653	48	57,413	48
Total Dodge	27,869	29,698	34,977	38,500	40,969	42,815	39,203	39,853	54,855	40,494	30,819	36,725	456,777	0	434,325	0
Omni	5,242	6,041	6,499	7,387	11,091	9,780	9,518	9,744	9,499	7,961	7,011	7,861	97,634	35	71,473	44
Shadow	0	0	0	0	0	159	444	2,090	2,408	3,599	5,576	5,864	20,140	70	0	0
Charger	3,549	3,864	3,890	4,304	4,238	4,184	4,556	5,427	8,528	4,243	1,473	1,940	50,196	50	57,171	49
Daytona	2,701	1,821	3,552	4,080	4,154	4,010	3,853	3,504	4,515	2,068	568	942	35,768	56	49,533	58
Aries	8,208	8,479	7,702	7,684	8,475	10,719	8,779	7,088	10,449	9,146	9,204	12,118	108,051	30	116,284	27
Lancer	2,933	4,063	5,104	5,589	3,027	3,165	3,856	4,296	6,867	4,785	1,909	2,402	47,996	52	49,615	56
Diplomat	1,689	1,692	2,427	3,326	2,886	3,238	3,175	3,439	5,283	3,758	1,881	1,862	34,656	57	34,919	66
Dodge 600	3,547	3,738	5,803	6,130	7,098	7,560	5,022	4,265	7,306	4,934	3,197	3,736	62,336	46	55,330	51
FORD MOTOR	149,380	146,898	167,490	176,291	187,133	179,301	169,924	162,030	219,609	155,142	145,425	207,884	2,066,507	0	2,070,392	0
Total Ford Div.	101,603	99,337	112,412	119,936	127,784	120,097	114,712	110,643	149,617	102,427	98,711	139,862	1,397,141	0	1,386,195	0
EXP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,927	73
Escort/EXP	30,145	29,466	32,232	33,637	38,459	34,977	31,687	34,731	47,488	26,800	26,404	36,155	402,181	2	420,690	2
Mustang	11,389	11,320	16,643	16,986	18,546	16,163	16,828	14,652	17,412	8,740	7,325	11,695	167,699	16	157,821	16
Tempo	24,559	22,774	18,129	21,559	20,376	20,660	21,766	21,756	30,584	21,073	17,239	24,907	265,382	5	281,144	5
Taurus	8,203	10,366	18,011	19,638	22,940	23,389	19,139	15,889	23,529	29,634	29,782	42,930	263,450	6	4,056	77
Thunderbird	13,165	12,719	11,102	11,358	13,029	11,337	12,255	12,681	18,929	6,060	7,357	10,721	140,713	18	157,209	17
LTD	5,166	3,987	3,966	3,553	2,183	1,662	1,050	719	1,301	0	0	0	23,587	64	185,014	12
Crown Victoria	8,976	8,705	12,329	13,205	12,251	11,909	11,987	10,215	10,374	10,120	10,604	13,454	134,129	19	162,334	15
Total L-M Div.	47,777	47,561	55,078	56,355	59,349	59,204	55,212	51,387	69,992	52,715	46,714	68,022	669,366	0	684,197	0
Total Mercury	36,263	36,223	40,921	43,008	45,646	45,624	41,840	39,991	52,812	34,013	30,271	45,170	491,782	0	519,059	0
Lynx	6,104	5,560	5,491	5,350	5,636	5,047	5,243	5,708	8,595	4,144	3,467	5,152	65,497	45	85,871	38
Topaz	5,615	5,652	4,859	4,956	6,122	6,004	5,672	4,884	6,432	5,843	5,377	6,083	67,499	43	73,098	42
Sable	3,454	4,966	8,688	9,813	10,028	9,984	6,848	5,680	8,672	9,882	9,303	11,275	98,593	34	2,430	78
Cougar	10,297	10,137	8,207	9,510	11,039	12,018	11,558	12,183	16,405	3,843	1,765	7,308	114,270	25	119,225	25
Capri	891	896	1,188	1,125	1,192	1,161	1,377	1,133	1,726	589	234	1,135	12,647	77	15,389	75
Marquis	2,302	1,780	1,773	1,387	922	631	455	311	619	0	0	0	10,180	78	87,844	36
Grand Marquis	7,600	7,232	10,715	10,867	10,707	10,779	10,687	10,092	10,363	9,712	10,125	14,217	123,096	23	135,202	20
Total Lincoln	11,514	11,338	14,157	13,347	13,703	13,580	13,372	11,396	17,180	18,702	16,443	22,852	177,584	0	165,138	0
Continental	1,457	1,406	1,817	1,676	1,699	1,523	1,562	1,308	1,781	2,013	1,932	2,455	20,629	68	27,679	69
Lincoln	8,697	8,550	10,415	9,861	10,186	10,231	9,972	8,533	13,002	14,394	12,067	17,267	133,175	20	177,606	13
Mark VII	1,360	1,382	1,925	1,810	1,818	1,826	1,838	1,555	2,397	2,295	2,444	3,130	23,780	63	19,853	72
GENERAL MOTORS	376,353	351,587	355,880	411,067	461,559	417,292	352,389	377,440	519,077	328,735	255,516	325,903	4,532,798	0	4,607,458	0
Total Buick	60,157	60,716	55,957	65,951	72,238	73,152	60,774	64,036	87,439	73,281	40,575	55,158	769,434	0	845,579	0
Skyhawk	4,079	4,227	6,738	7,061	7,682	7,942	5,607	6,711	10,356	7,245	3,134	4,124	74,906	39	85,639	39
Skylark	0	0	0	0	0	0	0	0	0	0	0	0	0	0	54,513	52
Somerset Regal	11,487	10,465	6,328	8,856	12,540	14,528	10,318	7,533	11,067	8,291	4,041	6,290	111,744	26	95,098	34
Century	20,873	20,325	16,635	20,281	22,163	20,731	18,210	21,111	28,452	23,536	11,509	16,921	240,747	8	234,508	7
Regal	6,779	8,810	6,224	6,170	7,040	7,608	6,650	5,640	8,883	7,362	2,849	4,325	78,340	38	112,590	29
LeSabre	4,579	5,222	8,562	10,421	11,500	12,301	11,225	13,085	15,051	15,010	10,702	14,748	132,406	21	115,212	28
Electra	10,894	10,427	9,935	11,784	9,973	8,781	7,180	6,496	9,595	9,279	6,686	6,969	107,999	31	99,185	33
Riviera	1,466	1,240	1,535	1,378	1,340	1,261	1,584	3,460	4,035	2,558	1,654	1,781	23,292	66	48,834	59
Total Cadillac	22,785	23,951	23,955	26,533	27,867	21,644	19,385	26,826	41,207	24,375	20,338	25,191	304,057	0	298,762	0
Cimarron	1,384	1,338	1,895	2,219	2,386	2,024	1,639	2,556	3,846	1,522	1,095	1,531	23,435	65	23,754	70
Seville	1,248	1,001	1,357	1,569	1,707	825	1,011	2,128	3,862	2,355	2,151	1,936	21,150	67	29,034	68
Cadillac	18,324	20,081	18,822	20,850	21,900	17,593	15,181	19,310	29,160	18,369	15,675	19,941	235,206	10	187,664	11
Eldorado	1,829	1,531	1,881	1,895	1,874	1,202	1,554	2,832	4,339	2,129	1,417	1,783	24,266	62	58,310	47
Total Chevrolet	129,286	121,125	126,191	140,788	158,897	153,462	124,027	126,120	173,738	99,564	89,138	116,140	1,558,476	0	1,600,200	0
Chevette	5,625	4,650	9,195	7,015	6,046	5,424	4,030	3,763	6,192	6,583	7,381	8,485	74,389	40	129,927	21
Nova	14,038	13,333	7,311	11,297	14,131	14,776	17,208	24,702	34,594	7,931	5,046	6,140	170,507	15	35,594	65
Cavalier	38,772	35,459	25,848	30,345	37,749	39,070	29,376	25,004	35,788	19,478	16,968	23,236	357,093	3	431,031	1
Citation	223	189	187	174	124	82	46	27	0	0	0	0	1,052	81	43,677	60
Camaro	9,882	10,468	16,996	18,927	20,503	18,607	14,232	13,214	16,036	9,263	6,941	8,135	163,204	17	199,985	9
Celebrity	36,474	31,629	31,127	36,620	42,709	39,242	29,811	31,379	39,137	26,763	27,803	36,252	408,946	1	363,619	3
Corsica/Beretta	0	0	0	0	0	0	0	0	0	2,537	3,091	7,251	12,879	76	0	0
Monte Carlo	6,891	6,805	10,086	10,614	10,963	9,976	8,756	10,154	16,970	7,903	5,477	6,652	111,247	27	112,585	30
Chevrolet	15,402	16,713	21,954	21,895	22,755	22,868	18,075	15,701	22,046	16,624	14,448	17,651	226,132	11	245,826	6
Corvette	1,979	1,879	3,487	3,901	3,917	3,417	2,493	2,176	2,975	2,482	1,983	2,338	33,027	60	37,956	63
Total Oldsmobile	90,185	85,948	82,693	94,792	115,598	89,337	84,010	93,385	128,505	72,264	56,553	66,120	1,059,390	0	1,066,122	0
Firenza	2,677	2,287	3,374	3,608	4,267	3,312	2,857	2,547	4,066	2,123	1,495	1,500	34,113	58	49,580	57
Calais	7,635	7,839	11,706	11,593	13,645	11,120	10,960	10,040	10,820	6,736	6,659	7,265	116,018	24	122,810	22
Cutlass Ciera	31,634	28,690	22,117	27,871	34,009	26,557	26,128	29,120	37,568	24,765	18,292	23,179	329,930	4	333,585	4
Cutlass Supreme	22,666	20,333	14,433	16,917	24,702	18,244	14,434	13,068	18,241	10,718	8,709	9,472	191,937	14	217,504	8
Olds 88	11,582	12,083	17,524	22,645	29,270	23,006	22,017	30,504	44,994	18,490	13,437	15,708	261,260	7	188,129	10
Olds 98	12,768	13,697	12,320	10,764	8,409	6,356	6,327	6,656	9,755	7,841	6,510	7,967	109,370	29	122,421	23
Toronado	1,223	1,019	1,219	1,394	1,296	742	1,287	1,450	3,061	1,591	1,451	1,029	16,762	74	32,093	67
Total Pontiac	73,940	59,847	67,084	83,003	86,959	79,697	64,193	67,073	88,188	59,251	48,912	63,294	841,441	0	796,795	0
Fiero	6,123	5,181	4,827	6,963	7,284	6,825	5,875	6,222	8,015	4,094	2,897	4,034	68,340	42	90,303	35
1000	2,049	1,281	2,043	1,862	1,533	1,526	1,276	1,556	2,236	1,060	836	1,071	18,329	72	22,424	71
Sunbird	11,448	8,398	6,322	8,759	13,194	12,303	10,359	6,487	9,905	6,008	4,702	6,331	104,216	33	116,837	26
Phoenix	0	0	0	0	0	0	0	0	0	0	0	0	0	0	896	79
Firebird	7,335	5,283	8,776	10,141	11,053	10,589	8,004	7,472	9,064	5,412	4,638	6,474	94,241	36	100,160	32
Grand Am	15,544	12,984	18,169	21,699	22,908	17,871	12,968	13,876	15,544	17,968	15,787	19,936	205,254	12	121,273	24
6000	16,882	12,129	12,595	15,290	17,698	17,514	15,519	21,535	28,878	15,291	11,452	14,660	199,443	13	165,728	14
Grand Prix	4,708	3,841	2,862	3,655	3,579	3,390	2,528	2,595	4,533	2,398	1,616	1,996	37,701	55	57,153	50
Bonneville G	4,687	4,161	2,761	3,788	3,804	3,522	2,585	2,826	3,925	838	266	192	33,355	59	52,972	53
Bonneville H	0	0	0	0	0	0	0	0	911	4,505	5,711	7,434	18,561	71	0	0
Parisienne	5,164	6,589	8,729	10,846	5,906	6,157	5,079	4,504	5,177	1,677	1,007	1,166	62,001	47	69,049	46
HONDA	13,263	14,637	15,175	15,003	16,132	18,220	15,840	21,201	23,431	27,106	30,308	24,931	235,247	9	145,976	18
NISSAN	6,003	6,843	7,363	4,001	943	217	91	49	5,098	6,623	6,954	8,417	52,602	49	39,794	61
TOYOTA	0	0	0	0	0	0	0	0	0	0	0	7,281	7,281	80	0	0
VOLKSWAGEN	6,321	5,873	6,198	6,729	7,517	6,453	6,402	6,453	6,138	5,363	4,906	5,558	73,911	41	77,716	41
Total Sales	635,904	612,632	649,351	719,563	786,268	736,261	648,667	673,311	924,919	632,807	518,799	676,180	8,214,662	0	8,204,721	0

SALES/REGISTRATIONS

NEW-CAR SHARES BY MARKET CLASS

BY MONTH, JANUARY 1979-FEBRUARY 1987

		Subcompact	Compact	Intermediate	Standard	Luxury	Import	Total Sales
January	1979	12.27	20.12	23.98	18.93	6.97	17.73	783,489
	1980	14.38	19.68	21.13	12.65	5.14	27.02	805,378
	1981	16.42	19.68	21.49	10.41	4.59	27.41	647,197
	1982	16.22	17.31	19.95	10.15	5.29	31.08	534,310
	1983	11.32	14.97	24.67	12.98	5.37	30.69	595,746
	1984	14.21	16.92	25.95	9.75	8.11	25.06	778,558
	1985	13.67	17.87	26.07	9.89	7.66	24.90	836,221
	1986	13.54	17.05	28.22	6.40	7.61	27.18	873,255
	1987	14.15	14.07	24.63	8.15	7.36	31.64	625,619
February	1979	14.19	20.99	21.81	16.85	6.49	19.67	841,262
	1980	15.33	20.72	20.07	12.46	4.33	27.09	810,905
	1981	18.59	20.43	19.41	8.61	4.14	28.82	763,664
	1982	18.91	20.20	19.19	8.96	5.02	27.72	632,203
	1983	11.79	14.85	24.68	13.87	5.17	29.64	628,853
	1984	14.85	18.24	25.56	10.28	7.93	22.14	841,234
	1985	15.82	17.39	26.36	9.68	7.80	23.05	838,607
	1986	14.01	16.50	27.85	7.14	8.13	26.37	832,993
	1987	15.80	17.88	24.34	7.70	5.95	28.33	777,115
March	1979	15.10	20.62	20.53	15.43	5.76	22.53	1,115,671
	1980	16.33	22.51	21.27	10.98	3.82	25.09	894,636
	1981	16.08	24.63	22.38	7.83	3.79	25.29	962,405
	1982	18.86	20.42	20.83	9.21	4.78	25.90	776,793
	1983	12.20	15.53	25.58	14.26	5.57	26.86	820,782
	1984	14.55	18.05	27.83	10.67	7.36	21.54	963,783
	1985	14.41	21.17	26.67	9.41	7.59	20.75	970,268
	1986	13.69	15.18	25.95	9.32	8.26	27.60	896,838
April	1979	12.98	24.21	20.70	14.20	5.26	22.65	987,302
	1980	15.34	21.99	21.04	10.35	4.09	27.19	742,607
	1981	15.68	19.62	20.10	10.54	5.13	28.93	750,977
	1982	15.48	17.96	23.14	12.10	5.91	25.41	668,463
	1983	13.03	15.77	27.18	14.38	5.61	24.03	763,375
	1984	14.32	18.09	28.54	11.28	8.30	19.47	895,402
	1985	13.48	22.09	27.58	9.65	7.02	20.18	987,522
	1986	13.12	15.91	27.47	9.74	7.78	25.98	972,172
May	1979	13.52	24.38	19.85	13.49	4.49	24.27	1,052,169
	1980	13.91	22.27	19.92	11.14	4.41	28.35	695,606
	1981	17.20	19.04	20.06	10.32	4.80	28.58	733,763
	1982	16.04	17.78	24.09	11.63	5.94	24.52	773,864
	1983	13.17	16.57	26.70	13.56	5.31	24.69	836,561
	1984	13.28	18.62	26.62	10.74	7.48	23.26	1,046,805
	1985	14.14	16.05	29.11	8.87	7.31	24.52	1,069,934
	1986	13.18	16.02	28.15	9.06	6.90	26.69	1,072,462
June	1979	13.75	24.89	21.20	13.56	4.13	22.47	904,000
	1980	14.52	21.32	21.30	11.69	4.02	27.15	701,345
	1981	17.34	19.51	19.69	10.53	4.52	28.41	723,342
	1982	15.13	16.68	21.47	11.19	4.92	30.61	650,523
	1983	13.86	17.60	25.01	12.75	4.74	26.04	903,427
	1984	13.46	19.20	24.88	11.03	7.91	23.52	951,058
	1985	12.83	14.71	27.56	9.76	8.27	26.87	925,334
	1986	13.65	17.14	27.22	9.18	6.34	26.47	1,001,152
July	1979	13.71	23.11	21.96	14.50	4.54	22.18	884,579
	1980	14.30	19.49	20.71	11.34	4.40	29.76	771,991
	1981	16.76	20.27	18.47	10.49	4.42	29.59	706,040
	1982	16.07	16.09	20.59	10.77	4.80	31.68	629,272
	1983	11.76	17.13	26.05	12.85	5.11	27.10	791,310
	1984	14.53	18.91	24.00	11.19	8.22	23.15	890,202
	1985	12.41	15.42	24.82	9.41	8.42	29.52	898,925
	1986	13.50	15.05	24.31	8.79	6.35	32.00	953,876
August	1979	10.33	21.72	23.69	16.68	4.59	22.99	915,550
	1980	16.77	19.30	20.75	10.17	4.03	28.98	684,928
	1981	18.62	20.70	20.61	10.53	4.69	24.85	800,725
	1982	16.07	16.75	19.46	10.09	4.89	32.74	608,752
	1983	11.15	16.11	26.56	12.41	5.51	28.26	740,073
	1984	14.45	18.12	22.10	10.58	8.78	25.97	815,199
	1985	13.97	16.88	26.86	8.34	8.37	25.58	1,000,695
	1986	14.12	15.02	23.76	8.77	6.30	32.03	952,262
September	1979	9.51	24.63	24.12	14.92	4.58	22.24	772,312
	1980	17.15	18.82	22.38	9.78	4.27	27.60	671,005
	1981	18.69	19.33	21.64	10.73	5.15	24.46	686,413
	1982	19.10	15.42	21.62	10.85	5.80	27.21	671,051
	1983	12.34	16.37	29.52	12.10	6.08	23.59	704,470
	1984	15.03	19.31	23.32	10.25	8.29	23.80	743,640
	1985	15.38	16.53	27.95	9.10	9.04	21.99	1,076,051
	1986	16.50	14.69	27.11	9.55	8.15	24.00	1,216,781
October	1979	13.09	20.91	25.93	14.58	6.40	19.09	890,827
	1980	16.02	21.52	24.97	10.77	5.12	21.60	846,776
	1981	17.58	19.98	21.79	10.34	6.08	24.23	648,184
	1982	14.98	16.43	22.99	13.17	6.77	25.66	656,250
	1983	12.68	16.72	29.31	12.42	6.07	22.80	860,318
	1984	13.54	16.43	25.89	11.31	9.26	23.57	902,263
	1985	13.56	14.80	25.15	6.65	9.05	30.79	864,677
	1986	14.62	12.58	26.09	8.31	8.29	30.11	905,098
November	1979	11.92	20.82	24.20	14.17	6.71	22.18	770,052
	1980	15.42	22.20	22.26	10.84	5.15	24.13	697,635
	1981	17.20	20.33	19.44	11.04	5.83	26.16	584,665
	1982	16.58	17.79	22.33	12.00	6.40	24.90	743,205
	1983	13.35	16.98	26.87	12.20	6.24	24.36	780,704
	1984	14.08	17.79	24.54	9.72	8.70	25.17	802,708
	1985	13.78	14.97	23.93	6.97	7.92	32.43	763,382
	1986	15.43	11.56	22.89	8.81	7.60	33.71	782,621
December	1979	12.50	20.91	21.69	14.94	6.35	23.61	725,317
	1980	15.51	21.41	20.23	10.51	4.97	27.37	649,101
	1981	14.65	16.57	19.58	11.29	6.30	31.61	522,816
	1982	15.93	16.67	20.27	11.72	6.32	29.09	631,875
	1983	14.35	17.43	25.37	9.12	8.09	25.64	752,288
	1984	12.39	17.07	25.26	10.04	9.06	26.18	759,486
	1985	14.02	16.71	22.74	6.85	8.23	31.45	814,019
	1986	13.82	13.03	24.62	8.80	7.35	32.38	995,313
Total for Year	1979	12.86	20.89	23.79	15.14	5.47	21.85	*10,641,679
	1980	15.41	20.96	21.37	11.09	4.48*	26.69	* 8,973,345
	1981	17.11	20.22	20.40	10.16	4.86*	27.25	* 8,531,531
	1982	16.65	17.51	19.03	13.39	5.58	27.84	* 7,977,570
	1983	12.65	16.75	26.17	9.97	8.50	25.96	* 9,178,101
	1984	14.04	18.08	25.54	10.61	8.25	23.48	*10,391,775
	1985	13.97	17.11	26.39	8.77	8.06	25.70	*11,045,784
	1986	14.27	14.92	26.31	8.76	7.47	28.27	*11,463,092

NOTE: *—Import yearly total adjusted in each grand total.

IMPORT CAR SALES IN U.S. BY NAMEPLATE, 1986 vs. 1985

	Calendar Year 1986	Calendar Year 1985
ACURA	52,869	——
Integra	27,807	——
Legend	25,062	——
ALFA ROMEO	8,201	4,502
ASTON MARTIN	74	N/A
AUDI	59,797	74,061
4000S	12,263	17,448
4000CS Quattro	4,174	4,897
5000S	29,146	36,967
5000S Wagon	1,665	2,922
5000CS Turbo	6,303	7,717
5000CS Turbo Quattro	3,400	451
Coupe GT	2,846	3,659
BERTONE	1,482	N/A
BMW	99,314	87,832
3-Series	61,822	53,905
5-Series	25,016	20,165
6-Series	2,979	3,824
7-Series	6,942	9,938
CHEVROLET	160,363	84,860
Spectrum	99,380	53,593
Sprint	60,983	31,267
CHRYSLER-MITSUBISHI	135,528	105,213
Colt	93,343	76,215
Conquest	7,089	5,387
Vista	35,096	23,611
FERRARI	771	——
HONDA	405,399	406,413
Civic/CRX	212,791	208,031
Accord	112,767	122,444
Prelude	79,841	75,938
HYUNDAI	168,882	——
ISUZU	38,910	26,953
I-Mark	26,046	12,780
Impulse	12,864	14,173
JAGUAR	24,464	20,528
XJ-6	19,579	16,744
XJ-S	4,885	3,784
LAMBORGHINI	107	26
MASERATI Biturbo	1,298	1,190
MAZDA	222,716	211,093
323	74,062	64,444
626	92,411	92,839
RX-7	56,203	53,810
MERCEDES-BENZ	99,314	89,098
190	21,897	25,691
260E	859	——
300	28,302	23,587
300SDL Turbo	7,143	6,746
420SDL	16,148	10,885
560SEL	10,153	7,842
560SL	12,565	10,508
560SEC	2,247	1,638
Tourist	0	2,201
MERCURY Merkur	14,315	8,974
MITSUBISHI	49,436	49,734
Starion	5,792	4,841
Cordia	4,997	8,159
Tredia	9,449	10,902
Mirage	14,639	13,066
Galant	14,363	12,766
NISSAN	493,549	535,372
Sentra	158,890	179,235
Pulsar	47,350	49,816
Stanza	67,804	64,398
Maxima	112,756	99,051
200-SX	45,952	65,792
300-ZX	52,936	67,409
Hawaii	7,861	9,671
PEUGEOT	14,296	15,636
PORSCHE	30,471	25,306
924S	3,096	——
944	9,488	15,459
944S	808	——
944 Turbo	6,215	1,375
911 Coupe	4,485	4,457
911 Turbo	1,384	261
911 Cabriolet	2,215	1,172
928S	2,780	2,582
RENAULT	4,152	7,205
18i	2,760	2,411
Fuego	1,392	4,794
ROLLS-ROYCE	1,155	1,110
SAAB	48,181	39,068
900	13,869	11,353
900S	15,151	11,836
900 Turbo	8,627	14,259
9000 Turbo	9,767	795
Tourist	767	825
SUBARU	183,242	178,175
Hatchback	15,972	15,934
3-Door	12,032	1
4-Door Sedan	49,706	57,665
XT	23,947	14,464
Station Wagon	77,438	86,036
Brat	4,152	4,075
TOYOTA	640,155	620,047
Corolla	152,137	168,378
Tercel	76,914	88,841
Celica	106,731	80,480
Supra	33,823	23,569
Camry	151,767	128,132
Cressida	42,180	45,920
Land Cruiser	4,475	4,740
Van	21,936	32,631
4Runner SR5	5,564	5,495
MR2	28,851	32,309
Hawaii	9,496	10,179
Others	——	3
VOLKSWAGEN	143,318	140,505
Cabriolet	14,275	12,644
Jetta	93,610	83,783
Vanagon	12,669	16,803
Quantum	11,880	13,948
Scirocco	10,884	13,552
VOLVO	113,267	104,267
240 Series	54,195	52,851
740 Series	46,578	37,164
760 Series	10,313	12,290
Tourist	2,181	1,962
YUGO	35,959	3,895
TOTAL	3,248,430	2,841,063

DOMESTIC SALES

Retail Sales of U.S. New Cars

1959	5,485,524
1960	6,142,402
1961	5,556,102
1962	6,752,919
1963	7,334,200
1964	7,616,858
1965	8,763,197
1966	8,376,993
1967	7,567,884
1968	8,624,819
1969	8,464,375
1970	7,115,537
1971	8,676,284
1972	9,321,502
1973	9,669,689
1974	7,448,921
1975	7,050,120
1976	8,606,573
1977	9,104,454
1978	9,307,998
1979	8,315,622
1980	6,578,275
1981	6,206,296
1982	5,756,660
1983	6,795,302
1984	7,951,517
1985	8,204,721
1986	8,214,662

IMPORT SALES

Retail Sales of Imported Cars

1967	769,300
1968	1,030,700
1969	1,117,700
1970	1,287,520
1971	1,565,500
1972	1,621,900
1973	1,776,900
1974	1,403,035
1975	1,577,000
1976	1,493,000
1977	2,071,100
1978	2,000,500
1979	2,327,932
1980	2,396,934
1981	2,326,376
1982	2,221,517
1983	2,385,734
1984	2,441,713
1985	2,841,063
1986	3,248,430

TOTAL U.S. SALES

Retail Sales: Domestics & Imports

1967	8,337,184
1968	9,655,519
1969	9,582,075
1970	8,403,057
1971	10,241,784
1972	10,943,402
1973	11,446,589
1974	8,851,956
1975	8,627,120
1976	10,099,573
1977	11,175,554
1978	11,308,498
1979	10,643,554
1980	8,975,209
1981	8,532,672
1982	7,978,177
1983	9,181,036
1984	10,393,230
1985	11,045,784
1986	11,463,092

SALES/REGISTRATIONS

SALES OF DIESEL-POWERED NEW CARS IN THE U.S.

	1986 Sales	Percent Share of Diesel Market	1985 Sales	Percent Share of Diesel Market	1984 Sales	Percent Share of Diesel Market	1983 Sales	Percent Share of Diesel Market	1982 Sales	Percent Share of Diesel Market	1981 Sales	Percent Share of Diesel Market
Buick	0	—	688	0.69	3,379	2.17	11,121	6.32	30,417	9.71	48,627	9.52
Cadillac	0	—	1,279	1.29	1,560	1.00	3,984	2.27	16,939	5.40	40,241	7.88
Chevrolet	0	—	1,857*	1.88	11,452*	7.36	4,877	2.77	27,549	8.79	27,600	5.40
Oldsmobile	0	—	N.A.	—	15,106	9.71	33,174	18.86	75,482	24.08	155,859	30.52
Pontiac	0	—	0	—	874	0.56	2,288	1.30	6,312	2.01	32,633	6.39
GM	0	—	3,824	3.86	32,371	20.80	55,444	31.52	156,699	49.99	304,960	59.71
Ford Motor Co.	7,000**	16.53	15,199*	15.35	35,352*	22.72	3,100	1.76	—	—	—	—
VW	14,630	34.55	28,548	28.83	22,468	14.44	29,844	16.97	59,887	19.11	118,585	23.22
Audi	0	—	0	—	13	0.01	6,144	3.49	7,415	2.37	6,434	1.26
VWoA	14,630	34.55	28,548	28.83	22,481	14.45	35,988	20.46	67,302	21.48	125,019	24.48
Mercedes-Benz	14,329	33.84	33,077	33.51	38,887	24.99	54,044	30.73	52,051	16.61	49,354	9.67
Volvo	2,150	5.08	9,065	9.16	9,074	5.83	7,436	4.23	7,405	2.37	1,954	0.38
BMW	1,759	4.15	1,847	1.87	0	—	0	—	0	—	0	—
Peugeot	1,609	3.80	2,053	2.07	4,104	2.64	5,454	3.10	9,637	3.07	14,341	2.81
Nissan	0	—	0	—	4,063	2.61	5,894	3.35	8,836	2.82	4,683	0.92
Toyota	867	2.05	1,524	1.54	8,348	5.37	2,220	1.26	—	—	—	—
Isuzu	0	—	55	0.06	915	0.59	6,317	3.59	11,477	3.66	10,368	2.03
Diesel Total	42,344	100.0	99,016	100.0	155,595	100.0	175,897	100.0	313,407	100.0	510,679	100.0
Total U.S. new-car sales	11,454,468	—	11,043,768	—	10,393,230	—	9,181,036	—	7,978,177	—	8,532,672	—
Diesel percent of total U.S. car sales	0.37	—	0.90	—	1.50	—	1.92	—	3.93	—	5.98	—

NOTES: *—Production for model year. **—Estimated.

IMPORT CAR SALES IN THE U.S., 1986

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	1986 Total
Acura	—	—	704	4,061	4,082	4,102	4,456	5,355	6,531	7,146	7,152	9,260	52,869
Honda	37,018	33,806	30,554	37,691	34,747	27,244	32,434	31,735	28,106	34,311	37,447	40,306	405,399
Isuzu	2,884	4,129	2,791	2,054	1,712	2,633	2,082	3,379	3,000	4,324	5,260	4,662	38,910
Mazda	18,993	19,448	23,561	9,986	16,853	14,665	16,607	16,880	21,818	17,472	18,134	28,299	222,716
Mitsubishi	4,090	4,758	4,089	2,977	3,857	3,992	3,434	4,776	4,035	3,686	4,304	5,438	49,436
Nissan	37,337	30,711	33,357	37,276	47,600	52,031	50,580	47,807	47,344	38,578	32,186	38,742	493,549
Subaru	16,740	14,891	17,499	15,683	14,505	13,657	16,030	13,964	17,329	15,356	12,120	15,468	183,242
Toyota	45,285	40,012	39,008	43,813	62,489	47,241	75,226	50,138	45,439	53,304	62,662	75,538	640,155
Chevrolet	9,981	10,198	14,510	15,177	15,286	14,262	12,306	14,127	23,087	11,278	8,733	11,418	160,363
Chrysler	11,871	11,231	12,388	10,616	8,833	9,456	11,345	11,593	16,048	10,209	9,354	12,584	135,528
JAPANESE MODELS	184,199	169,184	178,461	179,334	209,964	189,283	224,500	199,754	212,737	195,664	197,352	241,735	2,382,167
Audi	5,113	4,664	5,088	5,870	5,599	4,971	4,606	4,438	5,264	5,800	3,596	3,788	59,797
BMW	6,044	6,502	8,030	8,415	8,387	8,624	8,648	8,016	8,311	8,275	7,035	10,472	96,759
Mercedes-Benz	7,608	7,459	7,510	7,759	7,772	6,101	6,789	7,265	8,734	10,235	8,390	13,692	99,315
Merkur	1,075	1,288	1,363	1,110	1,554	1,283	1,506	1,139	1,601	1,048	590	758	14,315
Porsche	1,733	2,129	2,545	2,682	2,440	3,197	2,979	2,956	1,981	2,114	2,168	3,547	30,471
Volkswagen	10,505	10,268	13,008	14,306	16,398	13,091	12,547	12,000	10,673	9,969	8,707	11,846	143,318
GERMAN MODELS	32,078	32,310	38,544	40,142	42,150	37,267	37,075	35,814	36,564	37,441	30,486	44,103	443,974
Alfa Romeo	404	297	390	510	615	650	1,005	1,030	989	865	872	574	8,201
Aston-Martin	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	74
Bertone	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1,482
Ferrari	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	771
Jaguar	1,011	1,673	1,968	2,159	2,191	2,504	2,143	1,676	2,063	2,490	1,829	2,757	24,464
Lamborghini	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	107
Maserati	145	157	171	144	183	128	80	50	60	60	60	60	1,298
Peugeot	919	1,154	1,292	1,088	1,017	1,028	1,159	1,036	1,335	1,546	1,562	1,160	14,296
Renault	350	273	242	580	247	252	244	328	824	226	198	388	4,152
Rolls-Royce	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1,155
Saab	3,164	3,284	3,752	4,485	4,275	5,020	4,999	4,308	3,481	3,949	3,787	3,677	48,181
Volvo	12,080	9,043	10,336	10,018	10,346	11,600	11,470	10,157	9,289	8,915	7,873	2,140	113,267
Yugo	2,834	1,736	1,819	1,887	1,560	2,014	3,020	4,125	4,513	4,129	4,023	4,299	35,959
Hyundai	—	588	10,432	12,282	13,963	15,131	19,690	20,689	20,192	17,578	15,925	22,412	168,882
OTHER MODELS	20,907	18,205	30,402	33,153	34,397	38,327	43,810	43,399	42,746	39,758	36,129	37,467	421,518
TOTAL IMPORTED CARS	237,184	219,699	247,407	252,629	286,511	264,877	305,385	278,967	292,047	272,863	263,967	323,305	3,248,430
Japanese pct. of import sales	77.66	77.00	72.13	70.99	73.28	71.46	73.51	71.60	72.84	71.71	74.76	74.77	73.33
Total U.S. sales (domestic and import)	873,088	832,331	896,758	972,192	1,072,779	1,001,138	954,052	952,278	1,216,966	905,670	782,766	999,485	11,463,092
Japanese pct. of total U.S. sales	21.10	20.33	19.90	18.45	19.57	18.91	23.53	20.98	17.48	21.60	25.21	24.19	20.76
Import pct. of total U.S. sales	27.17	26.40	27.60	25.99	26.71	26.45	32.01	29.29	24.00	30.13	33.72	32.35	28.34

NOTES: Rolls-Royce monthly totals not available. Because of some year-end adjustments, monthly totals will not add to full-year import total.

IMPORTED NEW-CAR SALES IN U.S. SINCE 1975

	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
Acura	52,869	—	—	—	—	—	—	—	—	—	—	—
Alfa Romeo	8,201	4,502	3,702	3,002	2,194	2,301	3,000	4,011	6,237	6,712	5,283	5,342
Audi	59,797	74,061	71,237	47,936	45,954	50,817	42,483	42,709	40,878	35,854	33,316	50,680
Aston Martin	74	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Bertone	1,482	N.A.	N.A.	—	—	—	—	—	—	—	—	—
BMW	96,759	87,832	70,897	59,242	52,393	41,761	37,071	34,521	31,457	28,776	26,040	19,419
Capri	—	—	—	—	—	—	—	—	4,079	22,458	29,904	54,586
Chevrolet Spectrum	99,380	53,968	2,077	—	—	—	—	—	—	—	—	—
Chevrolet Sprint	60,983	30,892	10,927	—	—	—	—	—	—	—	—	—
Chrysler Conquest	2,572	—	—	—	—	—	—	—	—	—	—	—
DeLorean	—	—	—	—	2,830	3,009	—	—	—	—	—	—
Dodge Colt	48,249	39,724	36,560	39,158	75,031	42,796	50,689	62,705	44,570	70,679	46,542	80,356
Dodge Conquest	2,335	2,716	3,725	14,024	14,128	12,690	12,924	14,166	17,649	1,832	—	—
Dodge Vista	18,101	12,023	7,805	2,311	—	—	—	—	—	—	—	—
Fiat	—	—	—	6,184	14,113	32,185	37,814	58,934	60,435	63,479	61,540	100,511
Ferrari	771	N.A.	N.A.	N.A.	N.A.	N.A.	779	679	617	N.A.	N.A.	N.A.
Fiesta	—	—	—	—	—	32,856	68,595	78,109	76,145	40,549	—	—
Honda	405,399	406,413	374,819	350,670	365,865	370,705	375,388	353,291	274,876	223,633	150,929	102,383
Hyundai	168,882	—	—	—	—	—	—	—	—	—	—	—
Isuzu	38,910	26,953	17,233	20,731	15,462	17,805	—	—	—	—	—	—
Jaguar	24,464	20,528	18,044	15,815	10,349	4,695	3,029	3,746	4,782	4,349	7,384	6,799
Lamborghini	107	26	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Lancia	—	—	—	637	1,174	1,068	2,100	1,602	2,811	5,500	—	—
Maserati	1,298	1,190	2,023	—	—	—	—	—	—	—	—	—
Mazda	222,716	211,093	169,666	173,388	163,150	166,105	161,623	156,533	75,309	50,609	35,383	63,351
Mercedes-Benz	99,314	89,098	79,222	73,692	65,963	63,059	53,790	52,819	46,695	48,722	43,205	45,259
Merkur	14,315	8,974	—	—	—	—	—	—	—	—	—	—
MG	—	—	—	—	3,712	13,370	28,025	26,656	34,794	28,436	27,948	25,015
Mitsubishi	49,436	49,734	39,104	32,755	3,950	—	—	—	—	—	—	—
Nissan	493,549	535,372	485,298	521,902	470,246	464,805	516,890	472,252	388,096	388,378	270,103	253,192
Opel	—	—	—	—	—	—	—	13,815	19,222	29,067	10,483	39,730
Peugeot	14,296	15,636	20,007	15,241	14,323	16,937	12,930	11,888	9,061	10,002	9,497	11,850
Plymouth Colt	45,094	36,491	32,819	34,513	—	42,128	55,474	48,680	28,296	47,345	30,430	—
Plymouth Conquest	2,182	2,671	3,344	11,571	13,068	13,326	10,263	12,322	12,277	1,406	—	—
Plymouth Vista	16,995	11,588	7,465	1,992	—	—	—	—	—	—	—	—
Porsche	30,471	25,306	20,024	21,831	14,407	11,241	10,490	13,818	17,017	19,896	14,192	16,658
Renault	4,152	7,205	12,243	33,229	37,540	30,869	25,365	18,862	15,739	13,196	6,880	5,788
Rolls-Royce	1,155	1,110	1,083	1,046	N.A.	1,158	942	1,002	1,109	N.A.	N.A.	N.A.
Rover	—	—	—	—	—	—	481	—	—	—	—	—
Saab	48,181	39,068	33,631	26,323	18,463	14,613	13,558	15,142	15,862	13,120	9,886	13,732
Subaru	183,242	178,175	157,385	156,840	150,335	152,062	142,968	127,871	103,274	80,826	48,928	41,587
Toyota	640,155	620,047	557,981	555,766	530,246	576,491	582,204	507,816	441,800	493,048	346,920	283,909
Triumph	—	—	—	—	—	9,768	14,939	12,733	16,447	29,258	28,232	22,803
Volkswagen	143,318	140,505	103,479	77,009	67,352	82,173	90,923	125,100	216,709	280,704	201,670	267,730
Volvo	113,267	104,267	99,541	88,857	72,352	64,477	56,999	56,027	50,880	46,790	43,887	60,336
Yugo	35,959	3,895	—	—	—	—	—	—	—	—	—	—
Total	3,248,430	2,841,063	2,441,341	2,386,064	2,220,911	2,326,376	2,396,934	2,327,932	2,000,500	2,071,100	1,493,000	1,577,000

SALES/REGISTRATIONS

U.S. FACTORY SALES OF SPECIAL TRUCKS

4x4 Trucks

	Domestic	Export	Total
1961	72,050	75,024	147,074
1962	84,559	35,188	119,747
1963	95,316	41,299	136,615
1964	92,384	44,990	137,374
1965	106,206	39,772	145,978
1966	111,194	39,548	150,742
1967	115,766	37,829	153,595
1968	128,093	34,326	162,419
1969	142,790	32,036	174,826
1970	142,095	19,740	161,835
1971	204,811	20,561	225,372
1972	271,382	25,656	297,038
1973	368,471	35,157	403,628
1974	431,108	49,816	480,924
1975	413,720	65,991	479,711
1976	615,652	58,680	674,332
1977	749,154	74,959	824,113
1978	893,662	79,361	973,023
1979	666,522	85,066	751,588
1980	241,529	55,290	296,818
1981	241,889	56,633	298,522
1982	344,302	29,079	373,381
1983	673,720	49,307	723,027
1984	911,518	57,945	969,463
1985	997,861	72,752	1,070,613
1986	900,643	81,821	982,464

Trucks with Diesel Engines

	Domestic	Export	Total
1959	32,741	2,753	35,494
1960	28,186	2,774	30,960
1961	24,940	3,485	28,425
1962	38,464	5,383	43,847
1963	47,211	9,191	56,402
1964	57,179	8,197	65,376
1965	72,357	9,794	82,151
1966	85,619	11,011	96,560
1967	70,800	13,225	84,025
1968	83,423	10,396	93,819
1969	101,703	13,167	114,870
1970	91,801	13,913	105,714
1971	101,488	11,664	113,152
1972	129,626	13,461	143,089
1973	152,373	16,016	168,389
1974	144,702	22,557	167,259
1975	72,605	29,903	102,508
1976	107,216	21,860	129,076
1977	165,559	19,738	185,297
1978	219,915	23,933	243,848
1979	227,834	28,210	256,526
1980	214,562	29,584	244,146
1981	209,394	27,776	237,170
1982	219,748	16,853	236,601
1983	231,905	15,376	247,281
1984	333,122	27,664	360,786
1985	324,471	35,921	360,392
1986	261,072	37,613	298,685

Multi-Stop Delivery Trucks

	Domestic	Export	Total
1957	23,066	1,230	24,296
1958	20,711	1,651	22,362
1959	31,933	1,077	33,010
1960	30,074	914	30,988
1961	31,949	1,445	33,394
1962	31,749	738	32,487
1963	33,303	792	34,095
1964	29,467	1,039	30,506
1965	41,102	866	41,968
1966	37,520	1,333	38,853
1967	36,893	1,950	38,843
1968	35,842	988	36,830
1969	48,918	1,904	50,822
1970	45,244	2,258	47,502
1971	68,211	3,886	72,097
1972	73,005	4,534	77,539
1973	82,811	5,885	88,696
1974	38,800	3,987	42,787
1975	33,019	4,000	37,019
1976	49,473	4,664	54,137
1977	52,573	3,685	56,258
1978	112,730	7,142	119,872
1979	45,395	6,422	51,817
1980	23,148	3,466	26,614
1981	25,979	3,451	29,430
1982	31,793	1,040	32,833
1983	46,431	1,519	47,950
1984	61,524	1,460	62,984
1985	47,623	1,910	49,533
1986	44,090	2,059	46,149

Trucks with 3 or More Axles

	Domestic	Export	Total
1957	23,082	2,602	25,684
1958	17,585	1,679	19,264
1959	27,349	2,165	29,514
1960	24,621	2,077	26,698
1961	24,004	1,741	25,745
1962	30,525	1,898	32,423
1963	39,847	2,374	42,221
1964	50,558	3,406	53,994
1965	57,968	4,241	62,209
1966	71,817	4,914	76,731
1967	58,745	6,424	65,169
1968	65,923	6,143	72,066
1969	81,286	12,431	93,717
1970	76,129	9,426	85,555
1971	84,027	9,314	93,341
1972	106,732	12,165	118,897
1973	124,913	14,652	139,565
1974	125,658	21,126	146,784
1975	56,772	26,682	83,454
1976	80,533	16,064	96,597
1977	124,427	13,804	138,231
1978	134,298	16,668	150,964
1979	142,646	23,315	165,961
1980	86,572	17,747	104,319
1981	83,103	16,414	99,517
1982	59,170	7,176	66,346
1983	66,340	5,027	71,367
1984	113,512	10,170	123,682
1985	105,703	11,313	117,016
1986	87,810	10,954	98,764

SOURCE: MVMA

LIGHT-DUTY CALENDAR YEAR TRUCK SALES

	1986	1985
Vans	180,395	182,079
Aerostar	150,049	30,324
Club Wagon	27,324	31,575
Ranger	269,490	247,042
Bronco	49,588	52,281
Bronco II	103,020	104,934
Pickups	544,969	562,507
Ford	**1,324,885**	**1,210,742**
Vans	134,977	150,968
Sportsvan	15,614	21,005
Astro	147,932	106,157
S-10	203,416	210,051
S-10 Blazer	159,820	187,234
El Camino	21,508	21,816
Blazer	41,893	46,298
Suburban	61,226	58,906
Pickups	443,051	476,048
Chevrolet	**1,229,437**	**1,278,383**
Vans	73,706	63,250
Ram Wagon	39,843	40,095
Voyager	110,083	106,492
Caravan	115,964	113,550
Mini Ram Van	14,587	22,785
Ram 50	78,706	70,317
Raider	4,768	0
Ramcharger	23,006	29,325
Dakota	29,045	0
Pickups	105,451	190,574
Chrysler	**596,159**	**666,359**
Vans	39,622	40,607
Safari	31,178	24,892
S-15	46,084	46,953
S-15 Jimmy	39,027	42,239
Jimmy	9,390	9,094
Caballero	2,542	2,604
Suburban	19,981	17,888
Pickups	112,799	121,435
P Model	4,665	6,482
W-4	1,292	80
GMC	**306,580**	**312,274**
Wrangler/CJ	35,334	39,067
Wagoneer	12,800	14,102
Cherokee	107,225	98,874
Grand Wagoneer	17,254	17,809
Comanche	33,388	9,557
J-10/J-20	1,515	1,980
Jeep	**287,514**	**181,389**
Toyota	384,916	329,930
Nissan	223,551	255,601
Mazda	157,127	115,464
Isuzu	88,720	78,149
Mitsubishi	34,985	26,739
Suzuki	47,732	2,646
Imports	**937,031**	**898,529**
Industry Total	**4,681,886**	**4,387,705**

*Nissan includes domestically-built units in Tennessee.

1986 TRUCK SALES BY MANUFACTURER AND SEGMENT

	[illegible] CLASS 1-4	[illegible] CLASS 5	[illegible] CLASS 6	[illegible] CLASS 7	[illegible] CLASS 8	[illegible]	[illegible]
CHRYSLER	596,159					596,159	606,396
JEEP	287,514					287,514	181,389
TOYOTA	384,916					384,916	329,930
NISSAN	223,551					223,551	255,601
MAZDA	157,127					157,127	115,464
AMERICAN ISUZU	88,720					88,720	78,149
MITSUBISHI	34,985					34,985	26,739
SUZUKI	47,732					47,732	2,646
FORD	1,324,885		12,643	32,634	11,286	1,381,438	1,271,869
FREIGHTLINER					17,473	17,473	18,864
CHEVROLET	1,229,437	314	7,476	9,836	531	1,247,594	1,300,133
GMC	306,580	5,327	6,731	10,168	7,229	345,047	352,129
KENWORTH					10,457	10,457	11,639
MACK			2,623	2,678	17,247	22,548	28,687
MERCEDES			2,887	1,929		4,816	4,202
NAVISTAR			12,788	31,938	26,303	71,032	72,394
PETERBILT					9,902	9,902	11,941
VOLVO				1,459	11,391	12,850	13,316
HINO		54	344	640		1,038	0
NISSAN DIESEL		214	91	429		734	0
ISUZU TRUCK OF AMERICA	4,946	8				4,954	0
OTHER DOMESTICS			20		992	1,012	887
GRAND TOTAL, 1986	4,666,564	5,986	44,796	108,713	112,671	4,670,839	
1985 TOTAL	4,387,705	5,881	48,350	96,973	133,501		4,681,886

Class 1-4 sales data reported by individual manufacturers; Class 5-8 data reported by Motor Vehicle Manufacturers Assn.

SALES/REGISTRATIONS

U.S. NEW-CAR REGISTRATIONS BY MAKE SINCE WORLD WAR II

	Nash	Hudson	Rambler	American Motors	Plymouth	Dodge	DeSoto	Chrysler	Imperial	Chrysler Corp	Ford	Mercury	Edsel	Lincoln	Ford Motor Co.
1946—	85,169	72,484	.....	.....	211,800	135,488	54,420	65,532	.....	467,240	326,822	61,187	.....	10,798	398,807
1947—	102,808	83,344	.....	.....	313,118	209,552	72,966	93,871	.....	689,507	532,646	111,198	.....	24,081	667,925
1948—	104,156	109,497	.....	.....	347,174	213,923	82,454	105,315	.....	748,866	486,888	137,512	.....	32,638	567,038
1949—	135,328	137,907	.....	.....	527,915	273,530	103,516	130,516	.....	1,035,272	806,766	186,629	.....	57,691	1,031,086
1950—	162,224	134,219	13,498	.....	547,367	300,104	115,023	151,300	.....	1,113,794	1,166,118	318,217	.....	34,318	1,518,653
1951—	93,675	96,847	46,360	.....	542,649	298,603	112,643	149,435	.....	1,103,330	862,309	233,339	.....	25,816	1,121,464
1952—	91,304	78,509	51,216	.....	433,134	246,464	91,677	113,392	.....	884,667	732,481	185,883	.....	29,110	947,474
1953—	97,527	66,797	39,823	.....	600,447	288,812	122,342	153,756	.....	1,165,357	1,116,267	287,717	.....	39,169	1,443,153
1954—	41,116	34,806	35,613	118,553	381,078	154,789	76,739	101,741	.....	714,347	1,400,440	269,926	.....	36,251	1,706,617
1955—	37,197	20,522	72,227	136,753	647,352	284,323	118,062	156,458	.....	1,206,195	1,573,882	371,837	.....	35,017	1,980,736
1956—	25,271	11,822	70,867	115,105	483,756	220,208	100,766	106,853	10,460	922,043	1,375,343	274,603	.....	44,162	1,694,108
1957—	9,474	4,596	91,469	117,330	595,503	257,488	103,915	106,436	33,017	1,096,359	1,493,617	260,573	26,681	37,298	1,818,169
1958—	.....	.....	186,373	186,373	391,104	135,538	47,894	58,573	14,823	647,932	1,028,893	136,295	38,601	26,605	1,230,394
1959—	.....	.....	363,372	363,372	390,104	167,277	42,488	64,424	18,498	682,791	1,471,249	157,972	40,778	28,815	1,698,814
1960—	.....	.....	422,273	422,273	445,590	356,572	23,062	79,752	16,360	921,337	1,420,352	308,239	.....	20,711	1,749,302
1961—	.....	.....	370,685	370,685	299,683	225,945	.....	94,387	11,747	631,762	1,330,235	309,098	.....	31,126	1,670,459
1962—	.....	.....	423,104	423,104	301,158	238,053	.....	114,131	13,558	666,900	1,471,514	321,817	.....	31,533	1,824,864
1963—	.....	.....	428,346	428,346	426,332	379,026	.....	114,062	15,266	934,686	1,559,108	288,884	.....	31,517	1,879,509
1964—	.....	.....	379,412	379,412	492,775	462,551	.....	137,029	21,157	1,113,512	1,749,014	311,574	.....	36,897	2,097,485
1965—	.....	.....	324,669	324,669	624,779	521,783	.....	202,559	17,214	1,366,335	1,998,385	331,367	.....	42,363	2,372,388
1966—	.....	.....	.....	265,712	598,160	543,560	.....	230,182	14,609	1,386,511	1,991,520	308,049	.....	49,324	2,348,893
1967—	.....	.....	.....	237,785	627,173	491,919	.....	206,399	15,901	1,341,392	1,520,711	295,511	.....	35,218	1,851,440
1968—	.....	.....	.....	259,346	709,823	581,476	.....	220,786	15,778	1,527,863	1,803,271	367,515	.....	57,486	2,228,272
1969—	.....	.....	.....	239,937	658,987	538,381	.....	211,727	18,860	1,427,955	1,880,384	352,137	.....	58,835	2,291,356
1970—	.....	.....	.....	254,327	681,760	504,097	.....	153,168	10,753	1,349,778	1,848,669	310,375	.....	56,654	2,215,698
1971—	.....	.....	.....	245,805	687,115	545,785	.....	156,195	12,089	1,401,184	1,913,033	384,152	.....	66,092	2,363,277
1972—	.....	.....	.....	301,973	709,884	562,985	.....	178,951	14,321	1,466,141	2,058,676	396,186	.....	94,434	2,549,296
1973—	.....	.....	.....	392,102	748,699	587,937	.....	163,075	12,809	1,512,520	2,137,123	413,677	.....	116,115	2,666,915
1974—	.....	.....	.....	329,431	597,276	462,872	.....	107,802	12,252	1,180,202	1,756,811	330,513	.....	84,693	2,172,017
1975—	.....	.....	.....	307,618	404,408	344,697	.....	212,809	4,764	966,678	1,481,169	332,173	.....	91,496	1,904,838
1976—	.....	.....	.....	247,032	526,957	460,647	.....	271,061	411	1,259,076	1,665,619	408,121	.....	115,801	2,189,541
1977—	.....	.....	.....	182,539	436,027	448,128	.....	303,480	.....	1,187,635	1,791,414	489,160	.....	172,853	2,453,427
1978—	.....	.....	.....	157,797	394,534	427,946	.....	182,631	.....	1,112,111	1,769,077	560,299	.....	178,873	2,508,249
1979—	.....	.....	.....	156,926	323,225	367,387	.....	243,842	.....	934,454	1,475,178	498,326	.....	128,262	2,101,766
1980—	.....	.....	.....	150,878	236,522	250,556	.....	138,385	.....	625,463	1,046,887	326,361	.....	72,740	1,445,968
1981—	.....	.....	.....	133,455	335,691	311,824	.....	87,165	4,940	739,620	975,312	340,868	.....	61,775	1,377,955
1982—	.....	.....	.....	108,706	243,519	252,183	.....	169,275	2,603	667,580	889,470	316,293	.....	87,820	1,293,583
1983—	.....	.....	.....	190,797	258,684	307,633	.....	254,175	1,264	820,492	1,034,732	395,041	.....	97,206	1,526,979
1984—	.....	.....	.....	188,752	281,897	359,722	.....	321,303	.....	962,922	1,286,004	520,868	.....	144,548	1,951,420
1985—	.....	.....	.....	128,318	324,257	425,755	.....	371,292	.....	1,121,304	1,364,829	515,895	.....	164,295	2,045,019
1986—	.....	.....	.....	72,008	351,543	441,694	.....	349,866	.....	1,143,103	1,364,434	477,874	.....	169,805	2,012,113

	Kaiser	Fraser	Willys	Kaiser*-Fraser	Buick	Cadillac	Chevrolet	Oldsmobile	Pontiac	General Motors	Packard**	Studebaker**	Imports	Misc. Domestics	Total
1946—	3,501	1,873	2,329	5,374	126,322	23,666	329,601	93,094	113,109	685,792	36,435	58,051	.....	3,515	1,815,196
1947—	55,571	51,158	23,400	106,729	246,115	53,379	640,709	180,078	206,411	1,326,692	47,875	102,123	.....	16,828	3,167,231
1948—	108,367	57,994	21,408	166,361	244,762	59,379	709,609	175,531	226,939	1,418,200	77,843	143,120	.....	.....	3,400,954
1949—	57,995	15,827	28,576	73,822	372,425	80,880	1,301,466	269,351	321,033	2,075,155	97,771	199,460	12,191	11,714	4,838,342
1950—	100,171	11,884	33,926	112,055	535,806	101,825	1,420,399	372,519	440,528	2,871,078	73,155	268,229	16,337	9,271	6,326,438
1951—	103,658	.....	26,049	103,658	392,285	97,093	1,067,042	273,472	337,821	2,167,713	66,999	205,514	20,828	8,466	5,060,903
1952—	71,306	.....	41,016	71,306	310,806	87,806	852,542	218,189	266,351	1,735,694	66,346	157,902	29,299	3,661	4,158,394
1953—	34,210	.....	42,433	76,643	454,320	98,612	1,342,480	305,593	385,692	2,586,697	71,079	161,257	28,961	13,080	5,738,989
1954—	10,012	.....	17,002	27,014	613,497	110,328	1,417,453	407,150	358,167	2,806,595	38,396	95,914	25,385	3,766	5,535,437
1955—	959	.....	6,267	7,226	737,879	141,038	1,640,681	589,515	530,007	3,639,120	52,103	95,761	51,658	356	7,169,908
1956—	.....	.....	.....	.....	529,371	132,952	1,565,399	437,899	358,668	3,024,286	28,396	76,402	91,042	3,866	5,955,248
1957—	.....	.....	.....	.....	394,553	141,209	1,456,288	371,596	319,719	2,683,365	5,189	62,565	195,036	4,329	5,982,342
1958—	.....	.....	.....	.....	263,981	122,651	1,234,414	306,566	229,831	2,157,443	.....	47,798	365,305	19,269	4,654,513
1959—	.....	.....	.....	.....	245,909	135,387	1,419,131	360,525	382,137	2,543,089	.....	133,382	614,131	5,696	6,041,275
1960—	.....	.....	.....	.....	267,837	149,593	1,696,925	355,798	399,646	2,869,799	.....	106,244	493,785	8,910	6,576,650
1961—	.....	.....	.....	.....	290,623	142,195	1,589,734	328,586	372,871	2,724,009	.....	72,155	378,622	7,055	5,854,747
1962—	.....	.....	.....	.....	400,267	151,528	2,078,029	440,995	528,654	3,599,473	.....	77,877	339,160	7,485	6,938,863
1963—	.....	.....	.....	.....	454,237	159,233	2,161,653	474,786	606,791	3,866,700	.....	64,570	385,624	7,282	7,556,717
1964—	.....	.....	.....	.....	481,043	151,638	2,124,905	513,134	687,902	3,958,622	.....	27,073	484,131	5,915	8,065,150
1965—	.....	.....	.....	.....	608,620	189,661	2,424,358	608,930	831,448	4,663,017	.....	12,042	569,415	6,046	9,313,912
1966—	.....	.....	.....	.....	569,131	196,498	2,158,811	580,550	830,856	4,335,846	.....	.....	658,123	7,636	9,008,488
1967—	.....	.....	.....	.....	565,313	209,546	1,978,758	551,274	834,146	4,139,037	.....	.....	779,220	8,440	8,357,421
1968—	.....	.....	.....	.....	627,159	205,593	2,060,249	624,262	877,382	4,394,645	.....	.....	985,767	7,969	9,403,862
1969—	.....	.....	.....	.....	677,319	243,905	2,060,202	642,889	759,605	4,419,920	.....	.....	1,061,617	5,739	9,446,524
1970—	.....	.....	.....	.....	493,207	165,042	1,668,288	461,732	544,715	3,332,984	.....	.....	1,230,961	4,456	8,388,204
1971—	.....	.....	.....	.....	726,542	253,002	2,195,345	666,958	680,097	4,521,944	.....	.....	1,293,743	4,673	9,830,626
1972—	.....	.....	.....	.....	646,526	257,795	2,289,407	729,153	712,775	4,635,656	.....	.....	1,529,402	5,326	10,487,794
1973—	.....	.....	.....	.....	696,333	285,709	2,455,063	808,889	807,546	5,053,540	.....	.....	1,719,913	6,002	11,350,995
1974—	.....	.....	.....	.....	428,194	219,993	1,973,706	519,082	504,081	3,645,056	.....	.....	1,369,148	5,240	8,701,094
1975—	.....	.....	.....	.....	489,290	256,135	1,749,877	604,882	478,142	3,578,326	.....	.....	1,500,928	3,452	8,261,840
1976—	.....	.....	.....	.....	700,778	293,716	2,035,858	867,485	706,460	4,604,297	.....	.....	1,446,637	4,902	9,751,485
1977—	.....	.....	.....	.....	735,396	325,724	2,205,566	953,875	800,230	5,020,791	.....	.....	1,976,512	5,330	10,926,234
1978—	.....	.....	.....	.....	762,532	335,053	2,294,990	967,896	857,083	5,217,554	.....	.....	1,946,094	4,299	10,946,104
1979—	.....	.....	.....	.....	687,182	307,897	2,106,404	931,836	774,525	4,807,844	.....	.....	2,351,053	4,652	10,356,695
1980—	.....	.....	.....	.....	707,544	212,557	1,725,874	807,000	612,794	4,065,769	.....	.....	2,469,180	3,659	8,760,937
1981—	.....	.....	.....	.....	718,304	224,458	1,437,091	830,892	546,936	3,757,681	.....	.....	2,431,680	3,528	8,443,919
1982—	.....	.....	.....	.....	713,671	240,197	1,222,624	775,702	461,149	3,413,343	.....	.....	2,268,631	2,499	7,754,342
1983—	.....	.....	.....	.....	818,256	291,552	1,310,503	971,229	536,404	3,927,944	.....	.....	2,457,357	617	8,924,186
1984—	.....	.....	.....	.....	919,904	310,257	1,546,098	1,038,774	685,361	4,501,394	.....	.....	2,523,974	267	10,128,729
1985—	.....	.....	.....	.....	851,031	301,228	1,577,349	1,067,881	785,098	4,582,587	.....	.....	3,011,132	248	10,888,608
1986—	.....	.....	.....	.....	757,328	300,090	1,367,002	1,044,444	829,650	4,298,514	.....	.....	3,444,190	77	11,139,842

SOURCE R.L. Polk & Co.
NOTES *—Became Kaiser-Willys in 1953. **—Became Studebaker-Packard in 1955.

SALES/REGISTRATIONS

Domestic new-car registrations in the United States in 1986 declined by 181,824 units to 7,695,652 compared to 7,877,476 in 1985.

Import-car registrations in 1986 rose by 433,058 units to 3,444,190 compared to 1985's 3,011,132.

Total new-car registrations in the U.S. in 1986 were 11,139,842, second-highest volume in history behind record-year 1973 (11,350,995).

The figures are compiled from data by R.L. Polk & Co., which compiles registration numbers from 49 states, and manufacturers' records for Oklahoma.

Among domestic makers, Chrysler Motors' market share of 1986 new-car registrations climbed, while General Motors' and Ford Motor Co.'s fell.

Imports collectively commanded a 28.18-percent registration share.

REGISTRATION RECORDS

Best years for new cars

1973	11,350,995
1986	11,139,842
1978	10,946,104
1985	10,888,608
1977	10,826,234
1972	10,487,794
1979	10,356,695
1984	10,128,729
1971	9,830,626
1976	9,751,485
1969	9,446,524
1968	9,403,862
1965	9,313,912
1966	9,008,488
1983	8,924,186
1980	8,760,937
1974	8,701,094
1981	8,443,919
1970	8,388,204
1967	8,357,421
1975	8,261,840
1964	8,065,150
1982	7,754,342
1963	7,556,717
1955	7,169,908
1962	6,938,863
1960	6,576,650
1950	6,326,438
1959	6,041,275
1957	5,982,342
1956	5,955,248
1961	5,854,747
1953	5,738,989

U.S. NEW-CAR REGISTRATIONS, 1986-1985

Based on R.L. Polk & Co. Statistical Report

	1986	1985
AMC Alliance FWD	49,907	73,472
Encore FWD	14,721	41,534
Eagle 4WD	1,159	2,519
Eagle 4WD SW	6,221	10,793
TOTAL AMC	72,008	128,318
Chrysler Laser FWD	28,321	50,870
LeBaron GTS FWD	67,056	67,489
LeBaron FWD	86,755	79,304
LeBaron SW FWD	6,789	7,424
E Class-NY FWD	55,745	57,603
NY Fifth Ave	105,200	108,602
Total	349,866	371,292
Plymouth Horizon FWD	108,476	83,120
Turismo FWD	44,689	52,246
Sundance FWD	16,278	0
Reliant FWD	99,727	106,192
Reliant SW FWD	28,242	31,021
Caravelle FWD	38,622	35,501
Gran Fury	15,509	16,177
Total	351,543	281,897
Dodge Omni FWD	94,896	70,650
Charger FWD	48,893	56,591
Shadow FWD	15,609	0
Daytona FWD	36,547	48,784
Aries FWD	80,581	87,692
Aries SW FWD	24,153	26,597
Lancer FWD	47,900	47,325
600 FWD	61,305	54,681
Diplomat	31,810	33,435
Total	441,694	425,755
TOTAL CHRYSLER	1,143,103	1,121,304
Ford Escort FWD	325,876	326,444
Escort SW FWD	74,819	80,417
EXP FWD	444	18,486
Mustang	165,854	157,357
Tempo FWD	259,896	278,475
Taurus FWD	178,015	1,274
Taurus SW FWD	60,595	379
LTD	23,291	147,522
LTD SW	6,114	37,646
LTD Crn. Victoria	110,580	135,064
LTD Crn. Victoria SW	20,348	25,409
Thunderbird	138,602	156,356
Total	1,364,434	1,364,829
Lincoln Town Car	127,457	116,193
Mark VII	22,238	20,401
Continental	20,110	27,701
Total	169,805	164,295
Mercury Lynx FWD	55,546	69,238
Lynx SW FWD	10,343	14,382
Capri	11,850	15,632
Topaz FWD	65,498	73,554
Sable FWD	67,191	755
Sable SW FWD	24,150	124
Marquis	10,854	78,975
Marquis SW	1,260	10,542
Grand Marquis	108,353	122,335
Grand Marquis SW	10,011	11,804
Cougar	112,818	118,554
Total	477,874	515,895
Lincoln-Mercury Total	680,190	680,190
TOTAL FORD	2,012,113	2,045,019
Buick Skylark FWD	0	58,323
Skyhawk FWD	69,071	79,578
Skyhawk SW FWD	5,101	5,833
Somerset/Skylark FWD	112,375	93,259
Century FWD	215,114	209,324
Century SW FWD	21,832	23,944
Regal	77,962	114,047
LeSabre	0	101,923
LeSabre FWD	110,229	2,351
Electra FWD	106,825	100,013
Buick SW	15,882	13,545
Riviera FWD	22,937	48,891
Total	757,328	851,031
Cadillac DeVille	0	1,827
DeVille FWD	162,320	113,418
Cimarron	23,592	22,768
Fleetwood & Chassis	69,045	40,536
Fleetwood FWD	0	31,939
Fleetwood 60 Special FWD	11	0
Eldorado FWD	24,476	60,754
Seville FWD	20,641	29,986
Allante FWD	5	0
Total	300,090	301,228
Chevrolet Nova	169,837	31,075
Chevette	72,454	129,007
Corsica FWD	1,372	0
Beretta FWD	1,505	0
Camaro	165,883	200,091
Cavalier FWD	312,033	345,311
Cavalier SW FWD	50,747	74,386
Citation FWD	0	45,788
Celebrity FWD	316,208	276,870
Celebrity SW FWD	81,089	84,093
Monte Carlo	111,245	111,169
Impala	0	40,394
Caprice	179,105	150,190
Chevrolet SW	42,780	50,933
Corvette	32,581	38,042
Total	1,536,838	1,577,349
Firenza FWD	29,855	40,707
Firenza SW FWD	4,615	9,073
Calais FWD	114,295	122,561
Cutlass Ciera FWD	291,396	288,732
Cutlass Ciera SW FWD	32,211	41,202
Cutlass Supreme	191,138	218,881
Delta 88 FWD	234,755	6,806
98 FWD	109,280	122,568
Oldsmobile SW	20,660	22,963
Toronado FWD	16,239	32,879
Total	1,044,444	1,067,881
Pontiac 1000	18,142	22,239
Firebird	93,521	100,049
Sunbird FWD	98,788	106,947
Sunbird SW FWD	5,137	8,236
Grand Am FWD	198,509	116,535
Bonneville	35,060	52,739
Bonneville FWD	14,114	0
6000 FWD	180,171	145,456
6000 SW FWD	17,430	17,372
Grand Prix	37,728	57,290
Parisienne	50,939	53,155
Safari SW	12,363	14,659
Fiero	67,748	90,421
Total	829,650	785,098
TOTAL GM	4,298,514	4,582,587
Miscellaneous Domestic	77	248
Domestic Sta. Wagon Total	582,892	622,777
Domestic Grand Total	7,695,652	7,877,476
Import Total	3,444,190	3,011,132
Grand Total All Registrations	11,139,842	10,888,608

Automotive News analysis of new-car registrations based on R.L. Polk & Co. statistical report. Manufacturers' sales records used for compiling Oklahoma in 1985.

MARKET SHARES BY COMPANY, U.S. CAR REGISTRATIONS, SINCE WORLD WAR II

Year	GM	Ford	Chrysler	AMC*	Studebaker-Packard	Kaiser-Frazer, Willys	Miscellaneous Domestic	Imports
1946	37.78	21.97	25.74	8.68	5.21	0.42	0.20	.....
1947	41.89	21.09	21.77	5.88	4.73	4.11	0.53	.....
1948	40.63	18.82	21.45	6.12	6.33	5.38	0.81	0.46
1949	42.89	21.31	21.40	5.65	6.14	2.12	0.24	0.25
1950	45.48	24.00	17.61	4.90	5.40	2.30	0.15	0.26
1951	42.83	22.16	21.80	4.68	5.38	2.57	0.17	0.41
1952	41.74	22.78	21 27	5.31	5.39	2.71	0.09	0.71
1953	45.07	25.15	20.31	3.55	4.05	1.34	0.02	0.51
1954	50.70	30.83	12.90	2.01	2.43	0.47	0.07	0.59
1955	50.76	27.63	16.82	1.81	2.06	0.10	0.01	0.81
1956	50.78	28.45	15.48	1.81	1.76	.....	0.07	1.65
1957	44.85	30.39	18.33	1.77	1.13	.....	0.07	3.46
1958	46.36	26.44	13.92	4.01	1.08	.....	0.07	8.12
1959	42.10	28.12	11.30	6.01	2.21	.....	0.09	10.17
1960	43.64	26.60	14.01	6.42	1.62	.....	0.13	7.58
1961	46.53	28.53	10.79	6.33	1.23	.....	0.12	6.47
1962	51.87	26.30	9.61	6.10	1.12	.....	0.11	4.89
1963	51.04	24.87	12.37	5.67	0.85	.....	0.10	5.10
1964	49.06	26.01	13.81	4.71	0.32	.....	0.07	6.00
1965	50.07	25.47	14.67	3.49	0.13	.....	0.06	6.11
1966	48.13	26.08	15.39	2.95	0.06	.....	0.08	7.31
1967	49.53	22.15	16.05	2.85	.....	.....	0.10	9.32
1968	46.73	23.70	16.25	2.76	.....	.....	0.08	10.48
1969	46.79	24.25	15.12	2.54	.....	.....	0.06	11.24
1970	39.73	26.42	16.09	3.03	.....	.....	0.05	14.68
1971	45.16	23.52	13.71	2.50	.....	.....	0.05	15.06
1972	44.40	24.30	13.80	2.83	.....	.....	0.05	14.53
1973	44.32	23.50	13.33	3.45	.....	.....	0.05	15.15
1974	41.89	24.96	13.56	3.79	.....	.....	0.06	15.74
1975	43.31	23.06	11.70	3.72	.....	.....	0.04	18.17
1976	47.22	22.45	12.91	2.53	.....	.....	0.05	14.84
1977	46.37	22.66	10.97	1.69	.....	.....	0.04	18.26
1978	47.67	22.91	10.16	1.44	.....	.....	0.05	17.78
1979	46.42	20.29	9.02	1.52	.....	.....	0.05	22.70
1980	46.41	16.51	7.14	1.72	.....	.....	0.04	28.18
1981	44.50	16.32	8.76	1.58	.....	.....	0.04	28.80
1982	44.02	16.68	8.61	1.09	.....	.....	0.03	29.57
1983	44.01	17.11	9.19	2.14	.....	.....	0.01	27.54
1984	44.44	19.26	9.51	1.86	.....	.....	0.00	24.93
1985	42.83	18.86	11.23	1.18	.....	.....	0.00	25.90
1986	41.51	18.19	11.47	0.65	.....	.....	0.00	28.18

*And predecessors. Chart includes domestic-sponsored imports for 1986 and 1985. SOURCE: R.L. Polk & Co.

SALES/REGISTRATIONS

NEW-CAR REGISTRATIONS IN U.S. BY STATE, 1986 vs. 1985

Car registrations as compiled by R.L. Polk & Co.		AMC	Chrysler	Dodge	Plymouth	CHRYSLER TOTAL	Ford	Lincoln	Mercury	FORD TOTAL	Buick	Cadillac	Chevrolet	Oldsmobile	Pontiac	GM TOTAL	*Miscellaneous	TOTAL		Car registrations as compiled by R.L. Polk & Co.
Alabama	'86	370	5609	4759	3352	13720	18663	2077	5763	26503	12034	4503	26868	15769	15851	74825	44053	159471	'86	Alabama
	'85	627	5769	4891	3046	13706	18226	1817	5854	25897	13535	3741	27575	17043	14938	76830	36479	153539	'85	
Alaska	'86	208	511	516	478	1505	1898	71	502	2471	406	135	1291	817	673	3322	5292	12798	'86	Alaska
	'85	622	588	894	805	2087	1964	80	563	2627	514	181	1441	861	648	3625	5805	14766	'85	
Arizona	'86	652	3567	3583	2529	9679	15337	1957	4256	21550	7315	3645	17112	8950	7914	44936	44708	121525	'86	Arizona
	'85	1059	3970	3518	2894	10382	15782	2682	4260	22704	8803	3620	18343	9524	8362	48652	39331	122128	'85	
Arkansas	'86	376	2521	3163	1797	7481	8418	1453	3315	13186	4339	2385	12119	9057	5702	33602	16306	70951	'86	Arkansas
	'85	411	2564	3032	1863	7459	9816	1387	3817	15020	4755	2219	12695	9304	5536	34709	13813	71412	'85	
California	'86	5662	34115	26473	13780	74368	130084	14803	35570	180457	47955	37811	94014	63921	47441	291142	595732	1147361	'86	California
	'85	7865	37155	29255	15296	81706	131305	13723	39429	184457	56438	39901	95787	70425	50144	312695	548730	1135453	'85	
Colorado	'86	938	2519	3649	2298	8466	13552	1442	4199	19193	6930	2683	13002	8618	6946	38179	55039	121815	'86	Colorado
	'85	1770	3243	4186	2738	10167	14633	1542	4200	20375	8208	2853	14637	9486	7623	42787	51316	126415	'85	
Connecticut	'86	1269	6293	7550	7359	21202	23288	2410	8301	33999	13771	4054	28150	19158	11838	76971	80623	214064	'86	Connecticut
	'85	2472	6264	7579	6576	20419	22242	1934	10393	34569	15483	3703	25105	17383	11167	72841	66948	197247	'85	
Delaware	'86	335	1473	1702	1608	4783	5384	517	2053	7954	3034	1006	7312	5368	3576	20296	14409	47777	'86	Delaware
	'85	532	1617	1812	1536	4965	4868	408	2158	7234	3653	997	7634	5981	2898	21163	12534	46428	'85	
District of Columbia	'86	208	748	715	481	1944	2363	282	757	3402	890	672	2296	1820	855	6533	10692	22777	'86	District of Columbia
	'85	457	760	880	476	2116	2353	336	849	3538	981	605	2076	1624	818	6084	8901	21096	'85	
Florida	'86	4085	23080	36162	18012	77254	78357	18896	31498	128751	51697	28768	82028	57385	54812	274700	216022	700812	'86	Florida
	'85	7187	27026	29745	15626	72397	82296	18093	35439	135828	54151	26943	112583	58565	54726	306968	187813	710193	'85	
Georgia	'86	983	8956	8777	5635	23368	36103	4147	12527	52777	17856	8277	35222	25481	24236	111072	95235	283435	'86	Georgia
	'85	1522	9646	8929	5706	24281	37365	3992	14234	55591	20479	7764	36700	27309	24226	116478	84658	282530	'85	
Hawaii	'86	143	1156	969	624	2749	3435	816	1068	5319	1703	638	3907	1975	1652	9875	31594	49680	'86	Hawaii
	'85	170	1266	1463	582	3291	2777	1039	903	4719	2094	520	3402	2368	1748	10132	33018	51330	'85	
Idaho	'86	162	793	968	592	2353	2554	190	1285	4029	1460	397	2225	2097	1397	7576	9566	23686	'86	Idaho
	'85	330	928	1034	664	2626	2393	164	1469	4026	1462	446	2478	026	1337	7747	9013	23742	'85	
Illinois	'86	3959	17413	24316	18910	60639	78017	9383	28081	115481	53455	18714	104990	520	54237	301916	152067	633762	'86	Illinois
	'85	6938	19229	24180	17282	60691	75248	9040	28338	112626	62881	19402	109827	75837	51446	319393	131145	630793	'85	
Indiana	'86	1994	7777	9552	8538	25867	31030	2055	11302	44387	19987	5438	40081	30393	22772	118671	36260	227179	'86	Indiana
	'85	3295	8082	8945	7769	24796	29799	1828	12264	43891	22445	5051	42040	30110	20003	119679	31114	222775	'85	
Iowa	'86	761	2537	4908	3044	10489	12817	710	5010	18537	8956	1592	17770	11792	7305	47415	14492	91694	'86	Iowa
	'85	1172	2628	4894	2826	10348	12902	801	5204	18907	9340	1660	19247	10987	6774	48008	13452	91887	'85	
Kansas	'86	397	3263	3053	2523	8839	10510	1032	4247	15789	6687	2016	12765	10496	6301	38265	23490	86780	'86	Kansas
	'85	702	3629	3091	2682	9402	10933	1107	4861	16901	7706	2125	14146	11027	6486	41490	21027	89522	'85	
Kentucky	'86	669	4215	5693	4472	14380	16686	1813	5907	24406	8173	3260	20222	13023	9064	54642	27361	121458	'86	Kentucky
	'85	1445	4268	5264	3924	13456	17460	1750	6724	25934	8216	2965	20350	12896	8047	52474	24648	117957	'85	
Louisiana	'86	359	4251	4507	2868	11626	17195	3278	5988	26461	8906	3867	17676	13316	10184	53949	41028	133423	'86	Louisiana
	'85	777	5437	4578	3306	13321	20585	3857	7901	32343	11439	4664	20359	17786	12645	66893	39647	152981	'85	
Maine	'86	572	1278	3092	2303	6673	8619	456	2918	11993	3293	544	9137	4796	3240	21010	16377	56625	'86	Maine
	'85	1020	1264	2837	2371	6472	8701	425	3598	12724	3398	464	8436	4148	3284	19730	15093	55039	'85	
Maryland	'86	1642	8161	13884	11351	33396	44493	3163	11460	59116	15659	5592	50881	31122	24036	127290	97791	319235	'86	Maryland
	'85	2635	8782	12637	9503	30922	43609	2840	12871	59320	18323	5600	47947	26992	22797	121659	87424	301960	'85	
Massachusetts	'86	2561	9385	15260	11129	35774	42624	5159	18742	66525	23571	6045	56218	28722	21807	136363	121987	363210	'86	Massachusetts
	'85	4895	9954	14619	10778	35351	44430	3967	20354	68751	25675	5640	46987	27939	19721	125962	101243	336202	'85	
Michigan	'86	5576	21069	31086	21670	73825	91749	8050	35350	135149	47402	16267	84440	60434	71955	280498	63974	559022	'86	Michigan
	'85	14480	23072	29812	18676	71560	85725	11194	32553	129472	57607	16154	87500	58553	67873	287687	52424	555623	'85	
Minnesota	'86	1127	4763	7947	9628	22338	23788	1409	8005	33202	17906	4024	33315	29106	18917	103268	37829	197764	'86	Minnesota
	'85	1707	6176	8966	10499	25641	23568	1497	8629	33694	19251	3868	33390	27364	15898	99771	34618	195431	'85	
Mississippi	'86	171	2472	1792	1661	5925	8832	1507	2976	13315	5893	2101	10822	8300	6601	33717	18702	71830	'86	Mississippi
	'85	292	2554	1890	1707	6151	9900	1573	3537	15010	7360	1757	12274	9420	6390	37201	19055	77709	'85	
Missouri	'86	1398	7990	9712	7025	24727	33496	3008	11060	47564	15923	5397	34937	24459	15965	96681	47346	217716	'86	Missouri
	'85	2201	7988	10481	6577	25046	35283	2978	12628	50889	17820	4923	35083	24316	14957	97099	42103	217338	'85	
Montana	'86	233	707	759	714	2180	2561	125	925	3611	1564	269	2506	2344	933	7616	6338	19975	'86	Montana
	'85	424	733	809	628	2170	2544	125	1137	3806	1926	325	2890	2448	1064	8653	6353	21406	'85	
Nebraska	'86	311	1607	2188	1480	5275	7127	459	2633	10219	5904	1060	9148	6150	3326	25588	10457	51850	'86	Nebraska
	'85	396	1726	2169	1500	5395	6522	527	2683	9732	5649	1129	9884	5821	3152	25635	9157	50315	'85	
Nevada	'86	420	1497	1734	956	4187	5105	984	1716	7805	2285	1434	3845	2908	2608	13080	17474	42966	'86	Nevada
	'85	399	1186	1644	776	3606	4849	932	1911	7692	2147	1418	4353	2713	2561	13192	12654	37543	'85	
New Hampshire	'86	572	1699	3697	2408	7804	8798	874	3252	12924	3929	1112	12185	5115	4566	26907	28360	76567	'86	New Hampshire
	'85	1197	1899	3433	2413	7745	8629	617	3925	13171	4472	962	10369	5202	4300	25305	23793	71211	'85	
New Jersey	'86	3094	17846	21466	16762	56074	57828	12852	23667	94347	37723	15272	73719	48733	37490	212937	185006	551458	'86	New Jersey
	'85	5509	16072	18629	13682	48383	47721	9190	19948	76859	36873	14466	60822	41811	30323	184295	139522	454568	'85	
New Mexico	'86	224	1594	1661	1445	4700	7047	719	2290	10056	2190	897	5569	3729	3458	15843	16301	47124	'86	New Mexico
	'85	408	2127	1845	1587	5559	6849	894	2528	10271	2954	1072	6517	4029	3470	18042	14655	48935	'85	
New York	'86	6738	26638	39502	35405	101545	82024	14828	28616	125468	56432	21305	114471	79043	56816	328967	263694	825512	'86	New York
	'85	12182	25292	35687	30594	91573	78142	11004	28635	117781	59166	22560	102521	72951	50140	307338	210230	739104	'85	
North Carolina	'86	1036	7930	8014	6808	22752	39987	2874	9716	52577	21976	6629	38255	27146	21828	115834	92487	284686	'86	North Carolina
	'85	1676	7014	7017	5261	19292	34118	2241	9197	45556	22222	5207	36471	24901	17951	106752	75301	248577	'85	
North Dakota	'86	189	630	831	619	2080	2431	136	1088	3655	2061	417	3538	2506	1818	10140	3799	19863	'86	North Dakota
	'85	234	801	942	741	2484	2410	202	1305	3917	2387	474	4108	3001	1817	11787	3911	22333	'85	
Ohio	'86	4795	17103	29206	23800	70109	72454	6881	30572	109907	45620	12036	103005	59720	50366	270747	110587	566145	'86	Ohio
	'85	9041	17466	27289	21247	66002	80596	7059	38722	126377	51028	11793	108714	56451	44159	279145	99006	579571	'85	
Oklahoma	'86	162	5185	3635	3080	11900	14892	2059	5476	22427	8407	2944	12887	10659	8850	43747	25007	103243	'86	Oklahoma
	'85	765	5793	3617	3229	12639	17722	3240	7643	28605	10730	3579	17408	15603	10282	57602	24192	123803	'85	
Oregon	'86	517	2597	2602	2224	7423	10350	714	2313	13377	4798	1975	8611	5829	4303	25516	44676	91509	'86	Oregon
	'85	764	2839	2765	2596	8200	10195	587	2948	13730	4817	2107	8583	5843	3981	25331	41910	89935	'85	
Pennsylvania	'86	6149	19148	27373	25430	71951	68070	7316	25950	101336	44422	12880	87576	54419	46036	245333	148351	573120	'86	Pennsylvania
	'85	10212	19863	24962	23351	68176	65810	5679	26301	97790	48702	14108	81972	53535	40796	239113	127727	543018	'85	
Rhode Island	'86	472	1660	2900	1994	6554	6443	492	2226	9161	3583	1089	6167	5212	3400	19451	17960	53598	'86	Rhode Island
	'85	775	1502	2706	1574	5782	6085	304	2169	8558	3091	785	4975	4666	2899	16416	14273	45804	'85	
South Carolina	'86	426	3553	4140	2780	10473	15285	1684	4979	21928	9750	2969	16776	14483	10332	54330	40679	127836	'86	South Carolina
	'85	650	3784	4769	3350	11903	15895	1691	5538	23124	10422	2596	18967	15121	9287	56393	36327	128397	'85	
South Dakota	'86	239	530	719	806	2055	2751	126	916	3793	1985	374	3667	2374	1493	9873	2907	18957	'86	South Dakota
	'85	320	597	655	775	2027	2308	151	1026	3485	1842	326	4073	2137	1448	9824	2690	18346	'85	
Tennessee	'86	745	6618	6550	5078	18246	23235	2973	7545	33753	13097	6327	26297	18471	17636	81828	58275	192847	'86	Tennessee
	'85	1452	6736	7094	5218	19048	22739	2904	8035	33678	15091	5881	28134	19710	17886	86704	50094	190976	'85	
Texas	'86	1682	22516	17857	15112	55485	76206	15951	28297	120454	37507	26613	75543	64419	39288	243370	193157	614148	'86	Texas
	'85	3390	26642	19251	14356	60249	79373	19652	32036	131061	53334	31194	95473	84699	44573	309273	182171	686144	'85	
Utah	'86	352	1395	2100	1412	4907	4470	384	1658	6512	2583	753	6041	3324	2479	15180	21245	48196	'86	Utah
	'85	634	1781	1970	1708	5459	5629	860	2152	8641	3463	872	6316	2965	2470	16086	18583	49403	'85	
Vermont	'86	336	651	1452	1441	3544	3393	161	1384	4938	1794	288	4639	1751	1629	10101	11169	30088	'86	Vermont
	'85	598	678	1473	1257	3406	2936	152	1871	4959	1779	272	4124	1740	1604	9519	9813	28297	'85	
Virginia	'86	2247	10938	11819	10200	32957	43974	3718	12465	60157	14939	6210	40315	28054	21484	111002	109256	315619	'86	Virginia
	'85	3470	10282	10183	8675	29140	40264	3116	12413	55792	16245	5151	38157	25896	19380	104829	89781	283012	'85	
Washington	'86	447	4123	4262	3199	11584	16917	1323	4105	22345	5829	2485	13707	8425	5553	35999	65500	135875	'86	Washington
	'85	937	4752	4481	3514	12747	17723	1165	4987	23875	6257	2650	14410	8700	5354	37371	56895	133825	'85	
West Virginia	'86	774	2175	3781	2815	8771	8642	540	2887	12069	4586	1233	14896	6734	5229	32678	13319	68211	'86	West Virginia
	'85	1284	2304	3394	2583	8281	9051	555	3274	12880	4852	1657	14850	6627	4669	32055	12224	66724	'85	
Wisconsin	'86	2289	4952	8785	8334	22071	22773	1446	10247	34466	17989	3437	31652	24616	21448	99152	35185	193143	'86	Wisconsin
	'85	4724	4851	8798	7304	20953	21682	1272	11479	34433	18309	3897	31714	23287	19984	96501	32502	189113	'85	
Wyoming	'86	194	585	526	423	1534	1540	102	798	2440	1108	227	1623	1268	1214	5440	4361	13969	'86	Wyoming
	'85	288	691	551	440	1682	1557	137	956	2650	1163	254	2068	1533	958	5976	4213	14809	'85	
Federal Government	'86	1110	74	347	13151	13572	859	-	13	872	78	4	1601	107	90	1878	54	17486	'86	Federal Government
	'85	6	22	410	10210	10642	9517	5	27	9549	113	7	1216	237	120	1693	53	21943	'85	
U.S. TOTAL	'86	72008	349866	441694	351543	1143103	1364434	169805	477874	2012113	757328	300090	1536839	1044444	829650	4468351	3444267	11139842	'86	**U.S. TOTAL**
	'85	128318	371292	425755	324257	1121304	1364829	164295	515895	2045019	851031	301228	1577349	1067881	785098	4582587	3011380	10888608	'85	

NOTES: 1986 and 1985 data for Oklahoma compiled from manufacturers' sales records. All data property of R.L. Polk & Co.; may not be copied, sold or reprinted without permission from Polk.
*Includes imports and domestic-sponsored cars.

SALES/REGISTRATIONS

NEW TRUCK REGISTRATIONS IN U.S. BY STATE, 1986 vs. 1985

Truck registrations as compiled by R.L. Polk & Co.		Chrysler	Ford	Daimler-Benz	Chevrolet	GMC	International	Jeep Truck	Mack Truck	Paccar	Volvo White	Misc. Domestic & Foreign	TOTAL		Truck registrations as compiled by R.L. Polk & Co.
Alabama	'86	9373	20524	449	28799	5886	732	2128	509	471	580	17361	86812	'86	Alabama
	'85	8856	18527	477	27367	6330	981	1817	620	470	539	14037	80121	'85	
Alaska	'86	1648	3704	3	3118	820	104	590	3	49	13	2343	12395	'86	Alaska
	'85	2189	4468	6	4128	1398	84	1135	9	72	72	2356	15917	'85	
Arizona	'86	6344	19742	72	21344	5968	574	3345	116	101	128	26053	83787	'86	Arizona
	'85	6428	19833	109	25193	7230	527	3077	119	214	125	23930	86785	'85	
Arkansas	'86	6035	13913	240	18153	4303	889	1436	182	192	140	7679	53162	'86	Arkansas
	'85	6403	14239	183	18766	4523	671	1548	218	169	98	6871	53687	'85	
California	'86	47104	129661	1453	96913	24330	3720	25296	733	2037	1015	223702	555964	'86	California
	'85	52247	113618	1599	103626	26879	4538	22740	957	2504	1185	218918	548811	'85	
Colorado	'86	5734	18895	140	13668	4508	780	6333	74	197	95	17810	68234	'86	Colorado
	'85	6837	22428	208	18015	5102	1156	9341	213	283	125	17790	81498	'85	
Connecticut	'86	8455	15134	179	16492	3982	935	4190	413	159	176	13850	63965	'86	Connecticut
	'85	8322	12820	101	13677	3457	800	3341	412	132	129	11038	54229	'85	
Delaware	'86	2262	5181	121	4413	988	629	793	146	91	255	2909	17788	'86	Delaware
	'85	2279	4113	245	3918	906	972	689	237	148	107	2427	16041	'85	
District of Columbia	'86	560	769	12	654	120	13	274	4	2	1	649	3058	'86	District of Columbia
	'85	508	620	6	675	120	19	261	6	1	4	554	2774	'85	
Florida	'86	27257	72173	746	53499	15557	2963	11176	1195	722	336	62357	247981	'86	Florida
	'85	28674	70440	825	55883	14281	3461	9748	1669	775	370	52842	238968	'85	
Georgia	'86	15562	42871	723	42474	8309	2159	5315	645	567	576	29699	148900	'86	Georgia
	'85	15410	39171	788	42706	8089	2098	4398	1009	798	515	25444	140426	'85	
Hawaii	'86	2065	3835	—	2219	729	128	1638	4	53	18	7691	18380	'86	Hawaii
	'85	1963	3057	—	2066	758	88	904	1	46	17	7645	16545	'85	
Idaho	'86	2263	5187	35	3894	1844	146	1020	10	134	47	4261	18841	'86	Idaho
	'85	2400	5741	40	5166	2222	158	964	24	201	35	4306	21257	'85	
Illinois	'86	26332	54853	1642	53176	14110	5400	5488	1110	1175	1175	23226	187687	'86	Illinois
	'85	25472	47446	2206	49759	13915	5831	4621	1326	1603	1505	2253[illegible]	176215	'85	
Indiana	'86	12987	30127	1229	32193	10107	2298	2558	450	850	243	10104	103146	'86	Indiana
	'85	12511	26721	1507	29910	10035	2618	2092	610	954	397	9838	97293	'85	
Iowa	'86	5652	14019	736	12434	2493	1569	1210	148	293	137	5248	43939	'86	Iowa
	'85	5721	12586	325	12862	2941	1000	1098	208	299	45	4553	41638	'85	
Kansas	'86	6005	14124	235	12734	4280	557	1804	104	383	80	6947	47253	'86	Kansas
	'85	6395	14041	295	14826	5008	670	1879	126	536	116	6584	50476	'85	
Kentucky	'86	8495	20045	136	21138	3857	809	1712	396	162	74	9273	66097	'86	Kentucky
	'85	8248	19354	128	20463	3886	781	1729	559	145	71	8333	63697	'85	
Louisiana	'86	9018	21525	159	19072	5637	568	1396	235	192	141	15160	73103	'86	Louisiana
	'85	11109	24234	257	23779	6999	698	1541	372	239	156	16539	85923	'85	
Maine	'86	4049	8484	86	7774	3806	347	1334	205	148	70	5036	31339	'86	Maine
	'85	4559	7291	82	7320	3624	338	1247	224	76	75	4437	29273	'85	
Maryland	'86	14506	32072	417	26180	5546	1704	3862	624	183	263	18665	104022	'86	Maryland
	'85	13129	28050	499	22803	5145	1765	3276	1030	259	286	16338	92580	'85	
Massachusetts	'86	14473	29131	489	25430	9420	1779	8630	860	131	492	19344	110179	'86	Massachusetts
	'85	14502	25938	564	23449	8244	1717	8452	1167	192	415	15947	100587	'85	
Michigan	'86	33811	73542	323	68213	26391	2122	8618	368	368	404	11084	225244	'86	Michigan
	'85	30483	62970	353	65323	25467	1922	7185	485	371	276	9448	204283	'85	
Minnesota	'86	11792	32673	501	22895	4817	1519	3315	323	630	283	9841	88589	'86	Minnesota
	'85	12187	30647	600	22723	5032	1957	3179	437	940	179	8217	86098	'85	
Mississippi	'86	4117	13215	452	13420	4094	531	794	270	261	136	10020	47310	'86	Mississippi
	'85	4394	13481	272	14597	4456	581	689	362	178	118	10999	50127	'85	
Missouri	'86	13534	31703	537	27608	9970	1466	3098	242	717	212	13960	103047	'86	Missouri
	'85	14347	29547	533	27833	10564	1706	2831	226	476	178	13163	101404	'85	
Montana	'86	1563	5793	101	4217	1496	124	622	22	245	32	3120	17335	'86	Montana
	'85	1888	6507	154	5106	1735	161	762	48	394	47	3289	20091	'85	
Nebraska	'86	2849	8757	947	7708	2178	1252	867	134	1321	317	3349	29679	'86	Nebraska
	'85	3002	8521	1159	8079	2098	1224	1031	266	1534	329	3081	30324	'85	
Nevada	'86	3075	7005	19	4070	2011	253	1386	39	142	14	7780	25794	'86	Nevada
	'85	2582	6483	22	3957	1859	179	1232	7	80	14	7334	23749	'85	
New Hampshire	'86	4899	8964	125	9880	4039	582	2123	319	102	81	7772	38886	'86	New Hampshire
	'85	4862	7500	92	8744	3136	575	2126	334	48	76	6291	33784	'85	
New Jersey	'86	20047	42258	899	31281	10223	2811	7619	1910	539	703	23863	142153	'86	New Jersey
	'85	19044	30568	1066	25739	8239	2650	6318	2243	514	670	17057	114108	'85	
New Mexico	'86	3450	12452	69	8264	3345	293	1375	47	214	12	8960	38481	'86	New Mexico
	'85	4035	12977	59	9854	3899	449	1805	113	274	29	8626	42120	'85	
New York	'86	36484	57646	974	57466	16135	5343	14086	1906	348	514	33528	224430	'86	New York
	'85	34073	48520	1137	49836	12884	4389	10919	2747	350	751	26816	192422	'85	
North Carolina	'86	14033	41315	970	36784	7967	1512	4732	702	970	758	29985	139728	'86	North Carolina
	'85	11868	30294	733	31422	7959	2487	3476	777	873	864	24936	115689	'85	
North Dakota	'86	1416	4299	90	4191	954	113	471	54	102	41	1916	13647	'86	North Dakota
	'85	1811	4566	55	5217	1253	128	613	87	169	41	1769	15709	'85	
Ohio	'86	27062	57740	697	65308	13665	3400	4693	967	682	509	22430	197153	'86	Ohio
	'85	26958	51994	679	60167	13078	3610	4478	1494	751	546	20339	184094	'85	
Oklahoma	'86	6315	18915	—	18318	5010	679	574	64	110	8	8067	58060	'86	Oklahoma
	'85	7776	23967	—	21595	7872	990	1665	62	56	32	9813	73828	'85	
Oregon	'86	5829	15964	342	12645	3524	425	2652	87	457	176	16744	58845	'86	Oregon
	'85	5858	14674	335	13932	4134	558	2574	184	443	185	16758	59635	'85	
Pennsylvania	'86	28680	59731	818	46762	12417	3143	8231	2132	617	481	24090	187102	'86	Pennsylvania
	'85	27341	52976	1001	42970	11575	3188	7750	2694	641	507	20607	171250	'85	
Rhode Island	'86	2328	3912	36	3285	1147	243	962	197	25	56	4151	16342	'86	Rhode Island
	'85	1995	2831	31	2423	845	159	831	217	28	41	2910	12311	'85	
South Carolina	'86	6675	15446	280	16010	5097	1058	1790	350	281	93	14263	61343	'86	South Carolina
	'85	6764	14360	336	15718	4979	811	1494	347	246	303	11964	57322	'85	
South Dakota	'86	1122	4006	159	4154	817	175	598	11	185	18	1387	12632	'86	South Dakota
	'85	1207	3901	175	4295	814	234	557	23	166	34	1455	12861	'85	
Tennessee	'86	11772	25771	880	25073	7888	1167	2711	551	914	474	22384	99585	'86	Tennessee
	'85	11566	24315	799	25142	8617	1299	2775	806	909	1230	21093	98551	'85	
Texas	'86	40376	109939	1504	114995	32035	3894	14458	1013	1467	439	61969	387089	'86	Texas
	'85	50882	115317	2092	137534	38198	4530	15254	1723	2120	611	66615	434876	'85	
Utah	'86	3251	8711	135	6986	2894	242	1820	78	225	127	6623	31092	'86	Utah
	'85	3792	10795	157	8565	3234	322	2062	122	374	183	6792	36998	'85	
Vermont	'86	1723	4233	77	4269	1788	209	1059	92	29	41	3724	17244	'86	Vermont
	'85	1725	3388	7	3860	1593	225	1072	160	22	48	3109	15209	'85	
Virginia	'86	16356	39339	214	29352	7193	2436	6803	902	302	465	29900	133262	'86	Virginia
	'85	14818	33616	317	26500	6222	1327	5574	1185	324	388	25189	115460	'85	
Washington	'86	7242	20648	216	17932	4208	774	3433	194	783	181	21567	77178	'86	Washington
	'85	7371	20600	248	19404	4372	780	2934	181	1035	158	21191	78274	'85	
West Virginia	'86	4421	12648	33	15049	2248	554	1563	169	75	83	4596	41439	'86	West Virginia
	'85	4970	12175	23	16037	2147	375	1380	240	76	85	4271	41779	'85	
Wisconsin	'86	11548	27285	322	22272	8040	1519	3292	503	623	206	10040	85650	'86	Wisconsin
	'85	10960	23094	382	20507	7373	1696	2830	459	642	263	7974	76170	'85	
Wyoming	'86	1612	4624	51	3430	1543	131	687	16	84	11	1746	13935	'86	Wyoming
	'85	1955	5586	43	4318	1844	91	905	17	135	22	1816	16732	'85	
Federal Government	'86	12010	4485	—	28160	1143	1749	13	1	—	122	32	47715	'86	Federal Government
	'85	26275	4899	—	29210	1007	3889	21	352	1	103	36	65793	'85	
U.S. TOTAL	'86	575571	1348988	21073	1245768	340877	68522	195973	21829	21110	13052	948258	4801021	'86	**U.S. TOTAL**
	'85	630951	1245805	23310	1256864	347577	73463	182210	28514	24286	14786	876316	4675192	'85	

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SALES/REGISTRATIONS

RECREATIONAL VEHICLE SHIPMENTS BY TYPE, 1972-1986

1986** (Total Shipments—379,500)		1983** (Total Shipments—358,000)		1980** (Total Shipments—181,400)		1977 (Total Shipments—745,600)		1974 (Total Shipments—529,200)	
Travel trailers	86,000	Travel trailers	90,000	Travel trailers	51,900	Travel trailers	167,900	Travel trailers	126,300
Truck campers	7,400	Truck campers	6,800	Truck campers	5,000	Truck campers	31,900	Truck campers	45,400
Camping trailers	36,500	Folding campers	37,500	Fold-down camping trailers	24,500	Fold-down camping trailers	53,900	Camping trailers	55,200
Motor homes	67,700	Motor homes	69,500	Motor homes	28,600	Motor homes	280,200	Motor homes*	68,900
Van conversions	181,900	Van conversions	154,200	Van conversions	71,400	Pickup covers	211,700	Pickup covers	233,400
1985 (Total Shipments—359,200)**		**1982** (Total Shipments—258,000)**		**1979** (Total Shipments—303,300)**		**1976** (Total Shipments—656,300)**		**1973** (Total Shipments—752,500)**	
Travel trailers	82,900	Travel trailers	65,500	Travel trailers	90,200	Travel trailers	189,700	Travel trailers	212,300
Truck campers	6,900	Truck campers	5,700	Truck campers	13,800	Truck campers	42,000	Truck campers	89,800
Camping trailers	35,900	Folding camping trailers	34,300	Fold-down camping trailers	31,100	Camping trailers	53,300	Camping trailers	97,700
Motor homes	68,700	Motor homes	41,200	Motor homes	64,100	Motor homes	156,100	Motor homes*	129,000
Van conversions	164,800	Van conversions	111,300	Van conversions	104,100	Pickup covers	215,200	Pickup covers	223,700
1984 (Total Shipments—398,200)**		**1981** (Total Shipments—239,100)**		**1978** (Total Shipments—526,300)**		**1975** (Total Shipments—552,100)**		**1972** (Total Shipments—747,500)**	
Travel trailers	92,400	Travel trailers	63,800	Travel trailers	159,800	Travel trailers	150,600	Travel trailers	250,800
Truck campers	7,600	Truck campers	5,100	Truck campers	48,200	Truck campers	44,300	Truck campers	105,100
Folding camper trailers	40,900	Fold-down camping trailers	35,000	Fold-down camping trailers	48,200	Camping trailers	48,100	Camping trailers	110,200
Motor homes	82,000	Motor homes	35,400	Motor homes	157,200	Motor homes	96,600	Motor homes*	116,800
Van conversions	175,300	Van conversions	99,800	Van conversions	136,400	Pickup covers	212,500	Pickup covers	164,600

**Pickup covers no longer included in RVIA shipments.
*Imports of Volkswagen Campmobile motor home included only in 1972-'74 totals.
SOURCE: Recreation Vehicle Industry Assn.

DOMESTIC AND IMPORT TRUCK SALES BY MONTH, 1986; BY YEAR, 1986 vs. 1985

	January	February	March	April	May	June	July	August	September	October	November	December	1986	1985
Ford														
Vans	12,195	11,792	16,387	16,185	16,357	16,968	14,498	14,472	15,984	14,140	12,703	18,714	180,395	182,079
Aerostar	8,169	8,240	11,954	12,693	15,177	16,183	13,698	12,821	11,835	11,738	12,408	15,142	150,049	30,324
Club Wagon	1,965	1,726	2,076	3,080	3,072	2,442	1,847	1,932	1,555	2,532	2,201	2,946	27,374	31,575
Ranger	22,836	21,729	22,529	23,700	29,627	23,861	23,004	23,793	25,874	15,745	15,303	21,489	269,490	247,042
Bronco	3,485	3,273	4,426	4,301	4,254	4,253	4,177	4,011	5,097	3,115	3,918	5,278	49,588	52,281
Bronco II	5,984	5,989	8,012	7,763	9,192	8,388	8,914	9,572	14,418	7,505	7,712	9,571	103,020	104,934
Pickups	40,085	40,051	40,403	43,590	49,705	46,638	46,547	48,914	73,052	42,765	29,570	43,649	544,969	562,507
Mediums	3,070	2,475	3,961	3,956	3,490	4,665	3,930	3,460	3,389	3,359	3,714	4,906	45,267	45,980
Heavies	877	783	1,318	1,180	866	1,482	1,068	1,013	815	829	954	993	11,286	15,087
Total Ford	98,657	96,058	111,066	116,448	131,740	124,880	117,683	119,988	152,019	101,728	88,483	122,688	1,381,438	1,271,809
Chevrolet														
Vans	8,224	9,161	11,399	11,952	14,492	13,626	11,694	10,317	16,628	11,185	7,826	8,473	134,977	150,868
Sports Van	1,020	1,400	1,604	1,672	1,737	1,803	1,388	985	1,057	1,056	853	1,039	15,614	21,005
Astro	8,853	10,181	13,107	13,934	15,939	15,026	12,620	11,114	9,521	11,696	11,283	14,658	147,932	106,157
S-10	16,049	17,626	16,531	19,404	21,673	19,428	14,119	16,525	23,813	12,393	10,906	14,949	203,416	210,051
S-10 Blazer	10,311	11,050	14,046	14,173	16,532	14,887	12,586	14,765	20,691	9,481	9,172	12,124	159,820	187,234
El Camino	2,465	2,026	1,474	1,895	1,986	1,936	1,428	1,503	2,765	1,393	1,117	1,520	21,508	21,816
Blazer	2,890	3,099	3,608	3,643	3,938	3,830	3,271	3,598	5,715	2,840	2,359	3,102	41,893	46,298
Suburban	3,276	3,974	4,813	5,131	6,481	6,245	4,887	5,079	8,385	3,891	3,888	5,176	61,226	58,906
Pickups	34,454	36,839	33,707	38,215	41,172	40,702	35,673	34,964	55,508	33,243	25,613	32,961	443,051	476,048
Mediums	1,477	1,510	1,770	1,668	1,879	1,506	1,401	1,390	1,355	1,549	1,159	1,494	18,158	21,747
Total Chevy	89,019	96,366	102,059	111,687	125,829	118,989	99,069	100,240	145,438	88,727	74,176	95,496	1,247,595	1,300,130
Chrysler														
Vans	3,952	3,850	6,231	7,814	9,154	7,528	6,652	6,024	6,624	5,282	4,184	6,411	73,706	63,250
Ram Wagon	2,047	2,293	4,076	4,935	5,047	4,077	3,385	2,756	3,480	2,722	2,143	2,882	39,843	40,095
Voyager	8,274	8,453	10,941	10,773	10,625	10,265	8,416	6,436	7,885	7,712	8,573	11,730	110,083	106,492
Caravan	8,857	8,898	11,243	10,764	10,827	10,802	9,224	6,765	9,147	8,625	9,179	11,633	115,964	113,550
Mini Ram Van	1,187	1,175	1,579	1,317	1,311	1,607	1,180	937	1,083	1,086	965	1,160	14,587	22,785
Ram 50	5,929	6,364	6,158	6,263	7,055	5,593	5,385	5,289	7,286	6,812	8,941	7,631	78,706	70,317
Raider	0	0	0	0	0	0	0	88	978	1,239	1,162	1,301	4,768	0
Ramcharger	1,340	1,266	1,551	2,251	2,966	2,023	2,160	2,198	2,616	1,492	1,298	1,845	23,006	29,325
Dakota	0	0	0	0	0	159	497	1,089	2,788	5,058	8,275	10,879	29,045	0
Pickups	8,749	7,379	7,323	7,949	7,936	8,010	9,297	10,369	13,941	8,138	7,648	9,712	106,451	160,574
Total Chrysler	40,335	39,678	49,102	52,066	54,921	50,064	46,196	41,951	55,828	48,466	52,368	65,184	596,159	606,388
GMC														
Vans	2,556	2,706	3,188	3,192	3,611	3,756	3,908	2,715	4,694	3,251	2,243	3,802	39,622	40,607
Safari	1,989	2,322	3,003	2,856	3,134	3,214	2,617	2,165	1,897	2,246	2,189	3,546	31,178	24,892
S-15	3,717	4,243	4,034	4,465	4,940	4,471	3,714	3,506	4,934	2,586	2,120	3,354	46,084	46,953
S-15 Jimmy	2,660	2,742	3,397	3,394	3,713	3,681	3,205	3,430	4,966	2,576	2,154	3,109	39,027	42,239
Jimmy	572	645	771	684	766	784	823	631	1,359	752	732	871	9,390	9,094
Caballero	321	248	191	205	250	248	191	172	274	168	109	165	2,542	2,604
Suburban	1,290	1,327	1,509	1,490	1,985	1,870	1,652	1,408	2,429	1,567	1,435	2,019	19,981	17,888
Pickups	8,937	9,358	8,638	9,292	10,160	10,082	10,264	8,598	13,634	8,498	6,869	8,469	112,799	121,435
P-Model	306	330	309	446	411	427	537	250	267	420	308	654	4,665	6,482
Mediums	2,476	2,919	3,111	3,496	2,912	2,836	3,567	2,161	2,584	1,388	1,854	1,934	31,238	29,000
Heavies	636	489	735	616	580	707	895	550	615	401	437	568	7,229	10,856
W-4	61	90	98	127	110	101	111	100	114	125	116	139	1,292	80
Total GMC	25,521	27,419	28,984	30,263	32,572	32,177	31,484	25,686	37,767	23,978	20,566	28,630	345,047	352,130
AMC/Jeep														
Wrangler/CJ	4,064	3,297	1,991	1,975	2,787	3,050	2,915	2,967	2,934	2,765	2,530	4,059	35,334	39,067
Wagoneer	934	717	847	845	896	830	742	714	1,683	1,748	1,508	1,336	12,800	14,102
Cherokee	7,916	6,792	7,453	8,408	8,836	8,580	8,338	7,786	12,856	10,233	9,504	10,517	107,219	98,874
Grand Wagoneer	1,440	1,120	1,175	1,249	1,202	1,225	1,127	829	1,626	2,069	1,883	2,309	17,254	17,809
Comanche	2,818	2,896	2,232	2,132	2,116	2,368	2,820	2,483	4,176	3,768	2,555	3,028	33,392	9,557
Pickup	165	91	108	135	141	166	127	200	142	47	93	100	1,515	1,980
Total Jeep	17,337	14,913	13,806	14,744	15,978	16,219	16,069	14,979	23,417	20,630	18,073	21,349	207,514	181,389
Imports														
Toyota	26,889	28,519	34,745	28,265	36,478	24,659	54,350	26,269	32,352	26,455	29,965	35,204	384,150	329,930
Nissan	14,789	15,615	22,382	19,205	21,164	16,729	20,760	22,880	22,902	11,644	15,425	20,375	223,870	255,601
Mazda	8,648	9,693	11,971	14,112	15,206	14,962	12,257	13,159	18,430	12,863	11,064	14,742	157,127	116,464
Isuzu	5,591	6,876	8,605	9,606	3,865	7,192	7,181	7,811	8,623	6,364	7,657	9,349	88,720	78,149
Mitsubishi	1,976	2,018	2,526	4,986	2,684	2,008	2,303	2,894	2,691	2,794	4,533	3,772	34,985	24,032
Suburu	2,865	2,741	3,706	2,875	4,436	3,926	4,392	3,596	3,709	4,483	4,208	6,795	47,732	2,646
Total Imports	60,758	65,462	83,935	79,049	83,833	69,476	101,243	76,409	88,707	64,603	72,872	90,237	936,584	805,822
Total Industry	331,627	340,396	388,952	404,257	444,873	411,805	411,744	379,253	503,176	348,132	326,538	423,584	4,714,337	4,517,868

SALES/REGISTRATIONS

REGISTRATION RECORDS

Best years for new U.S. truck registrations

1986	4,801,021	1969	1,888,812
1985	4,675,192	1970	1,790,177
1984	4,048,998	1968	1,775,601
1978	3,983,340	1966	1,610,450
1977	3,509,328	1965	1,518,426
1979	3,472,209	1967	1,510,289
1976	3,058,009	1964	1,381,772
1973	3,029,074	1963	1,244,224
1983	2,976,556	1950	1,142,307
1974	2,656,918	1962	1,068,725
1972	2,513,952	1948	1,035,174
1980	2,476,777	1951	1,003,850
1982	2,430,471	1949	951,961
1975	2,397,417	1955	957,001
1981	2,185,489	1950	943,485
1971	1,993,186		

SOURCE: R.L. Polk & Co.

U.S. HEAVY-DUTY TRUCK REGISTRATIONS

1986 vs. 1985★

Make	1986	Percent Share of '86 market	1985	Percent Share of '85 market	Pct. pt. Change, '85-'86
International	48,580	24.14	47,077	21.82	+2.51
Ford	40,836	20.29	44,926	20.64	−0.36
GMC	25,256	12.55	26,109	11.99	+0.55
Mack	19,545	9.71	25,798	11.85	−2.14
Freightliner	17,389	8.64	18,708	8.59	+0.05
Kenworth	10,934	5.43	11,981	5.50	−0.07
Chevrolet	10,658	5.30	11,494	5.28	+0.01
Peterbilt	10,176	5.06	12,305	5.65	−0.60
White	7,747	3.85	9,197	4.22	−0.38
Volvo	2,436	1.21	2,580	1.19	+0.02
Autocar	1,736	0.86	1,803	0.83	+0.03
Mercedes-Benz	1,671	0.83	2,073	0.95	−0.12
Western Star	1,133	0.56	1,216	0.56	—
Miscellaneous	3,166	1.57	2,450	1.13	+0.44
TOTALS	201,285	100.00	217,717	100.00	

NOTES: + Group 7 and 8 trucks only.
Compiled from R.L. Polk & Co. data. Re-use or re-publication without permission from Polk is prohibited.

U.S. TRUCK REGISTRATIONS

1986 vs. 1985★

Make	1986	Percent Share of '86 market	1985	Percent Share of '85 market	Pct. pt. Change, '85-'86
Ford	1,348,998	28.10	1,245,805	26.65	+1.45
Chevrolet	1,245,768	25.94	1,256,964	26.89	−0.94
Dodge	468,621	9.76	486,324	10.32	−0.56
GMC	340,877	7.10	347,577	7.43	−0.33
Jeep	186,973	4.68	182,218	3.90	+0.10
Plymouth	106,950	2.22	104,627	2.24	−0.02
International	68,522	1.43	73,483	1.57	−0.14
Mack	21,829	0.45	25,514	0.63	−0.17
Freightliner	17,393	0.36	18,708	0.40	−0.04
Kenworth	10,934	0.23	11,981	0.26	−0.03
Peterbilt	10,176	0.21	12,305	0.26	−0.05
White	7,747	0.16	9,197	0.20	−0.04
Mercedes	3,680	0.08	4,602	0.10	−0.02
Volvo	2,436	0.05	2,580	0.06	−0.01
Autocar	1,736	0.04	1,803	0.04	—
Western Star	1,133	0.02	1,216	0.03	−0.01
Miscellaneous+	949,256	19.75	870,316	18.73	+1.02
TOTALS	4,801,021	100.00	4,675,192	100.00	

NOTES: + All truck registrations in Oklahoma, and in 1986, New York, compiled from manufacturers' records.
+ Miscellaneous includes imports, Crane Carrier, Oshkosh, FWD, Navistar, etc.
Compiled from R.L. Polk & Co. data. Re-use or re-publication without permission from Polk is prohibited.

U.S. NEW TRUCK REGISTRATIONS BY MAKE AND GVW CLASS

1986 vs. 1985+

		Group 1 6,000 lbs. and less	Group 2 6,001-10,000	Group 3 10,001-14,000	Group 4 14,001-16,000	Group 5 16,001-19,500	Group 6 19,501-26,000	Group 7 26,001-33,000	Group 8 33,001 and over	Make Totals
AUTOCAR	'86	—	—	—	—	—	—	—	1,736	1,736
	'85	—	—	—	—	—	—	—	1,803	1,803
CHEVROLET	'86	715,302	483,554	28,418	447	300	7,089	10,257	451	1,245,768
	'85	701,787	507,225	28,926	—	277	7,255	10,820	674	1,256,964
(Memo Units)●	'86	548,342	176,774	—	—	—	—	—	—	725,116
	'85	528,843	189,860	—	—	—	—	—	—	718,703
DODGE	'86	318,193	152,428	—	—	—	—	—	—	468,621
	'85	336,524	159,800	—	—	—	—	—	—	496,324
(Memo Units)●	'86	273,926	90,269	—	—	—	—	—	—	363,875
	'85	251,406	85,638	—	—	—	—	—	—	337,044
FORD	'86	812,694	483,477	10	—	—	11,971	29,939	10,857	1,348,948
	'85	698,813	490,240	—	—	—	11,629	30,599	14,327	1,245,608
(Memo Units)●	'86	602,508	150,483	—	—	—	—	—	—	752,991
	'85	476,220	155,391	—	—	—	—	—	—	631,611
FREIGHTLINER	'86	—	—	—	—	—	—	—	17,393	17,393
	'85	—	—	—	—	—	—	—	18,708	18,708
GMC	'86	161,347	139,966	2,800	237	4,711	6,561	19,267	6,988	340,877
	'85	166,102	139,277	3,748	—	5,378	6,965	15,102	11,007	347,577
(Memo Units)●	'86	119,439	46,073	—	—	—	—	—	—	165,512
	'85	119,556	46,180	—	—	—	—	—	—	164,751
NAVISTAR	'86	—	—	—	—	—	19,942	21,467	26,719	68,128
	'85	—	—	—	—	—	26,399	17,212	30,065	73,463
JEEP	'86	178,098	17,875	—	—	—	—	—	—	195,973
	'85	162,522	19,689	—	—	—	—	—	—	182,210
(Memo Units)●	'86	145,837	16,357	—	—	—	—	—	—	162,194
	'85	153,968	17,784	—	—	—	—	—	—	171,752
KENWORTH	'86	—	—	—	—	—	—	—	10,934	10,934
	'85	—	—	—	—	—	—	—	11,981	11,981
MACK	'86	—	—	—	—	—	2,264	2,354	17,191	21,829
	'85	—	—	—	—	—	3,716	1,947	24,751	29,514
MERCEDES-BENZ	'86	—	—	—	—	—	2,009	1,671	—	3,680
	'85	—	—	—	—	—	2,529	2,073	—	4,602
PETERBILT	'86	—	—	—	—	—	—	—	10,176	10,176
	'85	—	—	—	—	—	—	—	12,305	12,305
PLYMOUTH	'86	106,950	—	—	—	—	—	—	—	106,950
	'85	104,627	—	—	—	—	—	—	—	104,627
VOLVO	'86	—	—	—	—	—	—	1,383	1,053	2,436
	'85	—	—	—	—	—	—	1,580	1,000	2,580
WESTERN STAR	'86	—	—	—	—	—	—	—	1,133	1,133
	'85	—	—	—	—	—	—	—	1,216	1,216
WHITE	'86	—	—	—	—	—	—	—	7,747	7,747
	'85	—	—	—	—	—	—	—	9,197	9,197
MISCELLANEOUS-DOMESTICS	'86	—	3,120	—	—	—	—	122	2,067	5,309
	'85	2,854	—	—	—	—	—	83	1,845	5,004
OTHER IMPORTS	'86	525,421	8,197	5,942	747	324	324	867	69	842,948
	'85	853,567	10,630	4,260	896	462	197	370	—	870,382
TOTALS	'86	3,216,035	1,288,817	37,170	1,431	5,335	50,156	86,691	114,574	4,801,221
	'85	3,031,766	1,329,980	36,932	896	6,117	58,874	79,968	139,049	4,675,192

+ New York and Oklahoma registrations compiled from manufacturers' sales records.
● Memo units are trucks which are part of the total listed above each entry. Chevrolet memo units are Chevy Van, El Camino, S-10, Blazer and Astro; Dodge Dakota, Raider, Conversion, Ram Van, Charger, SE, 4WD, Ford Van, Bronco, Ranger & Aerostar; GMC Van, Jimmy, S-15, Caballero & Safari; Jeep Wrangler/CJs, Cherokee, Wagoneer & Comanche; Domestic misc. includes FWD, Mendocino, Oshkosh, etc.

—Compiled from R.L. Polk & Co. data

ANNUAL NEW U.S. TRUCK REGISTRATIONS SINCE 1956, BY MAKE

	Brockway	Chevrolet	Chrysler Corp.	Diamond Reo	Dodge	Ford	Freightliner	GMC	Mack	Mack	Kenworth	Mack	Mercedes-Benz	Peterbilt	Volvo-White	Others	Total
1956	684	302,145	—	—	4,037	57,631	263,753	—	82,266	108,014	23,468	1,259	13,190	—	609	—	15,137	894,396
1957	738	290,960	—	—	3,472	49,431	277,301	—	62,193	96,956	22,005	990	13,312	—	489	—	12,491	830,085
1958	959	247,470	—	—	2,925	57,037	206,787	—	55,950	89,745	22,523	813	11,865	—	393	—	12,142	726,704
1959	1,196	306,237	—	—	3,938	52,278	292,931	—	69,509	109,053	30,864	715	13,473	—	595	—	15,497	842,133
1960	1,103	316,962	—	—	2,421	43,606	280,501	—	62,546	110,349	31,385	1,408	10,679	—	510	—	14,179	845,485
1961	979	306,175	—	—	1,795	40,147	284,214	—	69,596	116,538	32,644	1,135	8,918	—	774	—	13,199	816,609
1962	1,074	366,505	—	—	1,825	55,183	332,378	—	80,590	130,959	38,425	1,316	10,353	—	1,109	—	15,151	1,068,725
1963	1,306	425,406	—	—	2,072	75,025	382,099	—	87,814	140,135	44,339	1,897	12,099	—	1,482	—	16,438	1,244,224
1964	1,100	483,853	—	—	1,992	90,030	404,956	—	99,148	148,038	44,385	2,347	12,084	—	1,912	—	16,609	1,381,773
1965	1,047	567,473	—	—	2,486	116,629	477,068	—	119,273	148,155	42,473	2,678	13,127	—	2,223	—	16,354	1,529,958
1966	1,288	585,561	—	—	2,874	120,080	522,307	—	115,122	155,566	42,866	3,472	15,014	—	2,374	—	20,663	1,610,450
1967	1,248	551,923	—	—	3,913	111,458	494,921	—	113,682	150,946	39,757	2,912	13,424	—	2,230	—	17,458	1,510,289
1968	1,256	626,858	—	—	3,539	134,255	624,894	—	133,328	140,946	38,486	4,008	14,932	—	3,023	—	18,865	1,775,601
1969	1,507	670,890	—	—	4,151	130,446	679,237	—	139,449	137,888	36,017	5,560	15,993	—	3,530	—	21,321	1,888,812
1970	1,655	557,987	—	—	3,964	127,509	666,613	5,967	125,657	140,186	33,884	5,335	17,740	—	3,457	—	19,139	1,790,177
1971	1,685	647,258	—	—	4,107	153,778	730,635	6,495	144,112	159,194	36,354	6,759	15,562	—	4,796	—	18,627	1,993,166
1972	2,061	802,755	—	—	4,332	268,333	858,630	9,244	174,794	189,210	50,929	8,232	20,955	—	5,998	—	21,313	2,513,952
1973	2,267	991,099	—	—	4,757	325,051	995,156	12,483	213,797	199,675	68,227	11,921	24,375	—	6,869	—	23,866	3,029,074
1974	2,508	860,358	—	—	4,033	292,213	863,888	11,713	183,755	161,375	66,635	10,469	22,710	—	5,429	—	27,382	2,656,918
1975	1,451	815,595	—	—	1,569	282,271	747,807	6,237	170,196	111,352	85,111	5,633	13,719	—	4,881	—	7,137	2,397,417
1976	1,264	1,052,438	—	—	387	399,644	850,933	7,075	255,360	180,557	107,487	8,024	14,696	—	5,439	—	7,348	3,058,009
1977	802	1,133,201	—	—	5	460,623	1,139,224	9,928	280,776	198,753	104,843	12,330	22,864	—	5,453	—	13,344	3,509,328
1978	37	1,275,717	—	—	—	464,470	1,214,251	11,725	329,185	116,574	103,348	14,340	27,388	—	6,454	—	13,797	3,983,340
1979	2	1,385,855	—	—	—	371,970	1,123,605	14,309	283,379	119,739	145,583	14,850	29,355	—	8,693	—	17,373	3,472,209
1980	—	737,788	—	—	15	256,829	784,132	11,473	181,252	74,484	81,923	11,153	21,743	—	7,938	—	7,984	2,476,777
1981	—	650,493	—	—	—	166,363	697,213	8,886	160,723	61,782	58,257	10,378	19,696	—	5,934	—	2,917	2,185,489
1982	—	758,107	—	—	—	218,078	733,139	7,292	212,908	40,902	62,897	7,544	15,160	—	5,791	—	1,653	2,430,471
1983	—	904,672	763,687	13,995	—	253,508	847,568	11,111	247,979	93,529	75,453	7,973	15,038	8,026	6,107	—	2,247	2,976,556
1984	—	1,090,178	504,081	18,693	—	—	1,162,834	—	305,206	68,713	148,292	—	25,617	26,732	—	13,284	—	4,048,998
1985	—	1,256,964	630,951	23,313	—	—	1,245,805	—	347,577	73,483	182,218	—	29,514	24,286	—	13,580	—	4,675,192
1986	—	1,245,768	575,571	21,073	—	—	1,348,998	—	340,877	68,522	186,973	—	21,829	21,113	—	11,918	—	4,801,021

(Dodge included in Chrysler Corp. totals beginning in 1983. Freightliner included in White totals until 1975, included in Daimler-Benz beginning in 1983. Kenworth, Peterbilt included in Pacific totals beginning in 1980; included in Others beginning in 1982. Mack included in Others 1971-1979, beginning in 1982. Western Star included in Volvo-White beginning in 1980.)

SOURCE: R.L. Polk & Co.

PRODUCTION

1987-model U.S. passenger-car specifications

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP @ RPM	Net Torque (ft. lbs.) @ RPM	Fuel Tank (U.S. gals.)	Cooling System with Heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
AMERICAN MOTORS—Eagle Sedan 4-dr.	109.3	180.9	72.3	54.4	3,385	38.1	40.8	59.6	57.6	L6	3.75 x 3.90	4.2/258	2V	9.2	112 @ 3,000	210 @ 2,000	22.0	6.5	4.0	2.73	4	15	32.5
Eagle Wagon 4-dr.	109.3	180.9	72.3	54.6	3,416	38.1	40.8	59.6	57.6	L6	3.75 x 3.90	4.2/258	2V	9.2	112 @ 3,000	210 @ 2,000	22.0	14.0	5.0	2.73	4	15	35.5
BUICK—Skyhawk Sedan	101.2	175.3	62.0	54.0	2,436	38.5	42.2	55.4	55.2	L4	3.25 x 3.15	2.0/121	F.I.	9.0	90 @ 5,600	108 @ 3,200	13.6	9.6	5.0	4.10	F	13	34.7
Skyhawk Wagon	101.2	175.3	62.0	54.0	2,507	38.5	42.2	55.4	55.2	L4	3.35 x 3.14	2.0/121	F.I.	9.0	90 @ 5,600	108 @ 3,200	13.6	7.9	5.0	3.45	F	13	34.7
Somerset	103.4	180.0	67.7	52.1	2,471	37.7	42.9	55.5	55.2	L4	4 x 3	2.5/151	F.I.	9.0	92 @ 4,400	134 @ 2,800	13.6	4.62	5.0	2.84	F	13	35.4
Skylark Sedan	103.4	180.1	66.6	52.1	2,568	37.7	42.9	55.6	55.2	L4	4 x 3	2.5/151	F.I.	9.0	92 @ 4,400	134 @ 2,800	13.6	4.62	5.0	2.84	F	13	35.4
Century Coupe	104.9	189.1	67.7	53.6	2,690	38.6	42.1	58.7	56.8	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200	15.7	8.9	4.0	2.39	F	14	38.5
Century Wagon	104.9	191.0	69.4	54.2	2,940	38.6	42.1	59.7	56.8	V-6	3.5 x 2.99	2.8/173	2V	8.5	112 @ 4,800	145 @ 2,100	16.6	13.2	5.0	2.84	F	14	38.5
Regal Coupe	108.1	200.8	71.6	54.5	3,172	37.8	42.8	58.5	57.8	V-6	3.8 x 3.4	3.8/231	2V	8.0	110 @ 3,800	190 @ 1,600	18.1	13.0	5.0	2.41	R	14	38.6
LeSabre Coupe	110.8	196.2	72.1	54.7	3,130	38.1	42.4	60.3	59.8	V-6	3.8 x 2.66	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	12.1	5.0	2.73	F	14	39.7
LeSabre Sedan	110.8	196.2	72.1	55.5	3,170	38.9	42.4	60.3	59.8	V-6	3.8 x 3.4	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	12.5	5.0	2.73	F	14	39.7
Electra Sedan FWD	110.8	197.4	72.1	54.2	3,243	39.3	42.4	60.3	59.7	V-6	3.8 x 3.4	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	12.4	5.0	2.73	F	14	39.4
Estate Wagon	115.9	220.5	79.3	59.3	4,160	39.6	42.2	62.2	64.0	V-8	3.8 x 3.39	5.0/307	4V	8.0	140 @ 3,200	255 @ 2,000	22.0	15.6	8.0	2.73	R	15	40.5
Riviera	108.0	187.2	71.7	53.5	3,309	37.8	42.7	59.9	59.9	V-6	3.8 x 3.4	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	11.3	5.0	2.84	F	14	35.8
OPTIONAL ENGINES: Skyhawk										L4	3.35 x 3.14	2.0/121	F.I.	8.8	96 @ 4,800	118 @ 3,600							
Skyhawk turbo OHC										L4	3.35 x 3.14	2.0/121	F.I.	8.0	165 @ 5,600	175 @ 4,000							
Skylark, Somerset										V-6	3.8 x 2.66	3.0/181	F.I.	9.0	125 @ 4,900	150 @ 2,400							
Century, Century Wagon										V-6	3.5 x 2.99	2.8/173	F.I.	8.9	125 @ 4,800	160 @ 3,600							
										V-6	3.8 x 3.4	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000							
Regal turbo										V-6	3.8 x 3.4	3.8/231	F.I.	8.0	245 @ 4,400	355 @ 2,000							
										V-8	3.8 x 3.39	5.0/307	4V	8.0	140 @ 3,200	255 @ 2,000							
CADILLAC—Cimarron	101.2	177.8	65.0	52.1	2,603	38.2	42.2	55.4	55.2	L4	3.5 x 3.15	2.0/121	F.I.	9.0	90 @ 5,600	108 @ 3,200	13.6	8.3	5.0	3.83	F	13	38.8
DeVille/Fleetwood	110.8	196.5	71.7	55.0	*	39.3	42.4	60.3	59.8	V-8	3.47 x 3.31	4.1/250	F.I.	9.0	130 @ 4,200	200 @ 2,200	18.0	12.4	5.0	2.97	F	14	41.7
Fleetwood Sixty Special	115.8	201.5	71.7	55.0	N.A.	39.3	42.4	60.3	59.8	V-8	3.47 x 3.31	4.1/250	F.I.	9.0	130 @ 4,200	200 @ 2,200	18.0	12.4	5.0	2.97	F	14	43.0
Brougham	121.5	221.0	75.3	56.7	4,045	39.0	42.0	61.7	60.7	V-8	3.47 x 3.31	4.1/250	4V	8.0	140 @ 3,200	245 @ 2,000	20.7	12.4	5.0	2.73	R	15	44.1
Eldorado	108.0	188.2	71.3	53.7	3,360	37.8	42.7	59.9	59.9	V-8	3.47 x 3.31	4.1/250	F.I.	9.0	130 @ 4,200	200 @ 2,200	18.0	12.6	5.0	2.97	F	14	42.0
Seville	108.0	188.2	70.9	53.7	3,419	37.9	42.7	59.9	59.9	V-8	3.47 x 3.31	4.1/250	F.I.	9.0	130 @ 4,200	200 @ 2,200	18.0	12.6	5.0	2.97	F	14	42.0
Limousine	134.4	220.8	71.7	55.0	**	38.9	40.9	60.3	59.8	V-8	3.47 x 3.31	4.1/250	F.I.	9.0	130 @ 4,200	200 @ 2,200	18.0	12.4	5.0	2.97	F	14	48.6
Allante	99.4	178.6	73.4	52.2	3,494	37.2	43.1	60.5	60.5	V-8	3.46 x 3.31	4.1/250	F.I.	8.5	170 @ 4,300	230 @ 3,200	22.0	12.1	6.0	2.95	F	15	38.0
*—Curb weights are 3,312, 3,369 and 3,420 for the Coupe DeVille, Sedan DeVille and Fleetwood.																							
**—Curb weights are 3,678 and 3,797 for the Fleetwood Seventy-Five Limousine and Formal Limousine.																							
CHEVROLET—Chevette 2-dr.	94.3	161.9	61.8	52.8	2,078	37.8	41.7	51.2	51.2	L4	3.23 x 2.98	1.6/98	2V	9.0	65 @ 5,200	80 @ 3,200	12.2	9.0	5.0	3.36	R	13	30.2
Chevette 4-dr.	97.3	164.9	61.8	52.8	2,137	37.9	41.7	51.2	51.2	L4	3.23 x 2.98	1.6/98	2V	9.0	65 @ 5,200	80 @ 3,200	12.2	9.0	6.0	3.36	R	13	30.2
Cavalier 2-dr.	101.2	172.4	66.0	50.2	2,300	37.7	42.2	55.4	55.2	L4	3.5 x 3.15	2.0/121	F.I.	9.0	90 @ 5,600	110 @ 2,400	13.6	8.8	5.0	3.65	F	13	34.7
Cavalier 4-dr.	101.2	174.3	66.3	52.1	2,345	38.6	42.2	55.4	55.2	L4	3.5 x 3.15	2.0/121	F.I.	9.0	90 @ 5,600	110 @ 2,400	13.6	8.8	5.0	3.65	F	13	34.7
Cavalier Wagon	101.2	174.5	66.3	52.8	2,401	38.3	42.2	55.4	55.2	L4	3.5 x 3.15	2.0/121	F.I.	9.0	90 @ 5,600	110 @ 2,400	13.6	8.8	5.0	3.65	F	13	34.7
Cavalier Convertible	101.2	172.4	66.0	52.7	2,519	37.9	42.9	55.4	55.2	V-6	3.50 x 2.99	2.8/173	F.I.	8.5	130 @ 4,500	165 @ 3,600	13.6	13.2	5.0	3.61	F	13	34.7
Camaro Sport Coupe	101.0	188.0	72.8	50.0	3,062	37.0	43.0	60.7	61.6	V-6	3.5 x 2.99	2.8/173	F.I.	8.9	135 @ 4,900	160 @ 3,900	15.5	12.4	5.0	3.42	R	15	37.6
Camaro Z-28	101.0	192.0	72.8	50.3	3,228	37.0	43.0	60.0	60.9	V-8	3.74 x 3.48	5.0/305	4V	9.3	170 @ 4,400	250 @ 2,800	16.2	15.2	5.0	3.23	R	14	37.6
Camaro IROC-Z	101.0	192.0	72.8	50.3	3,254	37.0	43.0	60.7	60.6	V-8	3.74 x 3.48	5.0/305	4V	9.3	170 @ 4,400	250 @ 2,800	16.2	15.2	5.0	3.23	R	14	37.6
Celebrity 2-dr.	104.9	188.3	69.3	54.1	2,685	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200	15.7	9.9	5.0	3.65	F	14	36.9
Celebrity 4-dr.	104.9	188.3	69.3	54.1	2,715	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200	15.7	9.9	5.0	3.65	F	14	36.9
Celebrity Wagon	104.9	190.8	69.3	54.3	2,847	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200	15.7	9.9	4.0	2.84	F	14	36.9
Corsica/Beretta	103.4	183.4	68.2	52.7	2,491	38.9	43.4	55.6	55.1	L-4	3.50 x 3.15	2.0/121	F.I.	9.0	90 @ 5,600	108 @ 3,200	13.6	8.6	4.0	3.73	F	13	35.1
Monte Carlo	108.0	200.4	71.8	54.4	3,283	37.9	42.8	58.5	57.8	V-6	4.0 x 3.43	4.3/262	F.I.	9.3	145 @ 4,200	225 @ 2,000	17.6	13.0	5.0	2.29	R	14	37.1
Caprice 2-dr.	116.0	212.8	75.4	56.4	3,527	38.5	42.2	61.7	60.7	V-6	4.0 x 3.43	4.3/262	F.I.	9.3	140 @ 4,200	225 @ 2,000	24.5	12.2	5.0	2.56	R	15	38.7
Caprice 4-dr.	116.0	212.2	75.4	56.4	3,510	39.5	42.2	61.7	60.7	V-6	4.0 x 3.43	4.3/262	F.I.	9.3	140 @ 4,200	225 @ 2,000	24.5	12.2	5.0	2.56	R	15	38.7
Chevrolet Wagon	116.0	215.1	79.3	58.2	4,114	39.6	42.2	62.2	64.1	V-8	3.80 x 3.38	5.0/307	4V	8.0	140 @ 3,200	225 @ 2,000	22.0	15.5	5.0	2.73	R	15	39.7
Corvette	96.2	176.5	71.0	46.7	3,216	36.5	42.6	59.6	60.4	V-8	4.0 x 3.48	5.7/350	F.I.	9.5	240 @ 4,000	345 @ 3,200	20.0	14.6	5.0	3.07	R	16	40.4
OPTIONAL ENGINES: Cavalier, Celebrity										V-6	3.50 x 2.99	2.8/173	F.I.	8.5	125 @ 4,500	160 @ 3,600							
Cavalier Z-24										V-6	3.50 x 2.99	2.8/173	F.I.	8.5	130 @ 4,500	165 @ 3,600							
Camaro Coupe										V-8	3.74 x 3.48	5.0/305	4V	9.5	165 @ 4,400	245 @ 2,800							
Camaro Z-28, IROC-Z										V-8	3.74 x 3.48	5.0/305	F.I.	9.3	215 @ 4,400	295 @ 3,200*							
										V-8	3.74 x 3.48	5.0/305	F.I.	9.3	190 @ 4,000	295 @ 2,800							
Camaro Z-28, IROC-Z										V-8	4.00 x 3.48	5.7/350	F.I.	9.0	225 @ 4,400	330 @ 2,800							
Monte Carlo										V-8	3.74 x 3.48	5.0/305	4V	9.3	150 @ 4,000	240 @ 2,000							
Monte Carlo (H.O.)										V-8	3.74 x 3.48	5.0/305	4V	9.3	180 @ 4,800	225 @ 3,200							
Caprice										V-8	3.74 x 3.48	5.0/305	4V	9.3	170 @ 4,400	250 @ 2,800							
*—Manual transmission. —Automatic transmission.																							
CHRYSLER—LeBaron J Coupe	100.3	184.9	68.5	50.9	3,125	37.6	43.1	57.5	57.6	L4	3.44 x 4.09	2.5/153	F.I.	9.0	100 @ 4,800	133 @ 2,800	14.0	9.0	5.0	2.51	F	14	35.0
LeBaron 4-dr.	100.3	179.1	68.0	52.9	2,582	38.6	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	3.02	F	14	35.3
LeBaron GTS	103.1	180.4	68.3	53.0	2,641	38.3	41.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,600	122 @ 3,200	14.0	9.0	5.0	2.51	F	14	36.2

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net H.P. at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with Heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in. ft.)
LeBaron Convertible	100.3	184.9	68.4	52.2	3,250	38.3	43.1	57.5	57.6	L4	3.44 x 4.09	2.5/153	F.I.	9.0	100 @ 4,800	133 @ 2,800	14.0	9.0	5.0	2.51	F	14	35.0
Town & Country Wagon	100.1	179.0	68.0	53.2	2,759	38.5	42.2	57.6	57.2	L4	3.44 x 4.09	2.5/153	F.I.	9.0	100 @ 4,800	136 @ 2,800	14.0	9.0	5.0	3.02	F	14	35.3
New Yorker	103.3	187.2	68.0	53.1	2,757	38.7	42.2	57.6	57.2	L4	3.44 x 4.09	2.5/153	F.I.	9.0	100 @ 4,800	133 @ 2,800	14.0	9.0	5.0	3.02	F	14	36.2
Fifth Avenue	112.7	206.7	74.2	55.1	3,741	39.3	42.5	60.0	59.5	V-8	3.91 x 3.31	5.2/318	2V	9.0	140 @ 3,600	265 @ 2,000	18.0	16.5	5.0	2.26	R	15	40.7
OPTIONAL ENGINES: LeBaron, Town & Country Wagon, New Yorker, LeBaron GTS turbos										L4	3.44 x 3.62	2.2/135	F.I.	8.1	146 @ 5,200	171 @ 3,600							
LeBaron, LeBaron GTS										L4	3.44 x 4.09	2.5/153	F.I.	9.0	100 @ 4,800	136 @ 2,800							
DODGE—Omni 4-dr.	99.1	163.2	66.8	53.0	2,237	38.1	42.1	56.1	55.6	L4	3.44 x 3.62	2.2/135	2V	9.0	96 @ 5,200	119 @ 3,200	13.0	8.7	5.0	2.20	F	13	38.1
Charger	96.6	174.8	66.1	50.8	2,290	37.2	42.5	56.1	55.7	L4	3.44 x 3.62	2.2/135	2V	9.5	96 @ 5,200	119 @ 3,200	13.0	8.7	5.0	2.20	F	14	37.3
Shelby Charger Turbo	96.6	174.8	66.1	50.8	2,483	37.2	42.5	56.1	55.7	L4	3.44 x 3.62	2.2/135	F.I.	8.1	146 @ 5,200	170 @ 3,600	13.0	8.7	5.0	2.57	F	14	37.3
Shadow 2-dr.	97.0	171.7	67.3	52.7	2,520	38.3	41.5	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	14	33.9
Shadow 4-dr.	97.0	171.7	67.3	52.7	2,558	38.3	41.5	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	14	33.9
Aries 2-dr.	100.3	178.6	68.0	52.5	2,375	38.2	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	13	35.2
Aries 4-dr.	100.3	178.6	68.0	52.9	2,402	38.6	42.2	57.6	57.2	L4	3.44 x 4.09	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	13	35.2
Aries Wagon	100.4	178.5	68.0	53.2	2,480	38.5	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	13	35.2
Daytona	97.0	179.3	69.3	50.1	2,676	37.1	42.4	57.6	57.6	L4	3.44 x 4.09	2.5/153	F.I.	9.0	100 @ 4,800	133 @ 2,800	14.0	9.0	5.0	2.51	F	14	34.3
Daytona Shelby Z	97.0	179.3	69.3	51.3	2,812	37.1	42.4	57.6	57.6	L4	3.44 x 3.62	2.2/135	F.I.	8.1	146 @ 5,200	170 @ 3,600	14.0	9.0	5.0	2.74	F	15	40.7
Daytona Pacifica	97.0	179.3	69.3	51.3	2,862	37.1	42.4	57.6	57.6	L4	3.44 x 3.62	2.2/135	F.I.	8.1	174 @ 4,800	200 @ 3,200	14.0	9.0	5.0	2.51	F	15	40.7
Lancer 4-dr.	103.1	180.4	68.3	53.0	2,643	38.3	41.1	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	14	36.2
600 4-dr.	103.3	179.2	68.0	53.1	2,594	38.7	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	3.02	F	14	36.2
Diplomat Sedan	112.7	204.6	74.2	55.3	3,566	39.3	42.5	60.5	60.0	V-8	3.91 x 3.31	5.2/318	2V	9.0	140 @ 3,600	265 @ 2,000	18.0	15.5	5.0	2.26	R	15	40.7
OPTIONAL ENGINES: Shadow, Daytona, Shelby Daytona, Lancer, 600 turbos										L4	3.44 x 3.62	2.2/135	F.I.	8.1	146 @ 5,200	170 @ 3,600							
Aries LE, Lancer, 600										L4	3.44 x 4.09	2.5/153	F.I.	9.0	100 @ 4,800	133 @ 2,800							
FORD—Escort 2-dr.	94.2	166.9	65.9	53.5	2,180	37.9	41.5	54.7	56.0	L4	3.23 x 3.46	1.9/113.5	F.I.	9.0	90 @ 4,600	106 @ 3,400	13.0	6.5	5.0	2.85	F	13	35.7
Escort 4-dr.	94.2	166.9	65.9	53.5	2,222	37.9	41.5	54.7	56.0	L4	3.23 x 3.46	1.9/113.5	F.I.	9.0	90 @ 4,600	106 @ 3,400	13.0	6.5	5.0	3.52	F	13	35.7
Escort Wagon	94.2	168.0	65.9	53.3	2,274	37.9	41.5	54.7	56.0	L4	3.23 x 3.46	1.9/113.5	F.I.	9.0	90 @ 4,600	106 @ 3,400	13.0	6.5	5.0	3.52	F	13	35.7
Escort EXP	94.2	168.4	65.9	50.9	2,291	36.6	41.7	54.7	56.0	L4	3.23 x 3.46	1.9/113.5	F.I.	9.0	90 @ 4,600	106 @ 3,400	13.0	6.5	5.0	3.52	F	14	37.2
Tempo 2-dr.	99.9	176.5	68.3	52.7	2,462	37.5	41.5	54.9	57.6	L4	3.7 x 3.3	2.3/140	F.I.	9.0	86 @ 3,800	120 @ 3,200	15.4	8.1	5.0	3.33	F	14	38.7
Tempo 4-dr.	99.9	176.5	68.3	52.7	2,515	37.5	41.5	54.9	57.6	L4	3.7 x 3.3	2.3/140	F.I.	9.0	86 @ 3,800	120 @ 3,200	15.4	8.1	5.0	3.33	F	14	38.7
Mustang Sedan	100.5	179.3	69.1	52.1	2,724	37.0	41.7	56.6	57.0	L4	3.78 x 3.12	2.3/140	F.I.	9.5	90 @ 3,800	130 @ 2,800	15.4	8.6	5.0	3.45	R	14	37.4
Mustang Hatchback	100.5	179.3	69.1	52.1	2,782	37.0	41.7	56.6	57.0	L4	3.78 x 3.12	2.3/140	F.I.	9.5	90 @ 3,800	130 @ 2,800	15.4	8.6	5.0	3.45	R	14	37.4
Mustang Convertible	100.5	179.3	69.1	51.9	2,921	37.6	41.7	56.6	57.0	L4	3.78 x 3.12	2.3/140	F.I.	9.5	90 @ 3,800	130 @ 2,800	15.4	8.6	5.0	3.45	R	14	37.4
Taurus 4-dr.	106.0	188.4	70.6	54.3	2,872	38.3	41.7	61.5	60.5	L4	3.7 x 3.6	2.5/153	F.I.	9.0	90 @ 4,400	130 @ 2,600	16.0	8.5	5.0	3.26	F	14	40.0
Taurus Wagon	106.0	191.9	70.7	55.1	3,186	38.6	41.7	61.5	59.5	V-6	3.5 x 3.10	3.0/182	F.I.	9.3	140 @ 4,800	160 @ 3,000	16.0	10.0	5.0	3.37	F	14	40.0
Thunderbird	104.2	202.1	71.1	53.4	3,133	37.7	42.0	58.1	58.5	V-6	3.8 x 3.4	3.8/232	F.I.	8.7	120 @ 3,600	205 @ 1,600	22.1	12.2	5.0	3.27	R	14	39.4
LTD Crown Victoria 2-dr.	114.3	211.0	77.5	55.3	3,724	37.9	43.5	62.2	62.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	18.0	14.4	5.0	2.73	R	15	39.1
LTD Crown Victoria 4-dr.	114.3	211.0	77.5	55.3	3,741	37.9	43.5	62.2	62.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	18.0	14.4	5.0	2.73	R	15	39.1
LTD Crown Victoria Wagons	114.3	215.0	79.3	57.1	3,920	38.8	43.5	62.2	62.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	18.0	14.4	5.0	2.73	R	15	39.1
OPTIONAL ENGINES: Escort GT, Escort EXP Sport Coupe										L4	3.23 x 3.46	1.9/113.5	F.I.	9.0	115 @ 5,200	120 @ 4,400							
Escort (diesel)										L4	3.39 x 3.39	2.0/121	F.I.	22.7	58 @ 3,600	84 @ 3,000							
Tempo (HSO) all-wheel-drive										L4	3.7 x 3.3	2.3/140	F.I.	9.0	94 @ 4,000	126 @ 3,200							
Mustang GT (H.O.)										V-8	4 x 3	5.0/302	F.I.	9.2	225 @ 4,200	300 @ 3,200							
Taurus										V-6	3.5 x 3.1	3.0/182	F.I.	9.3	140 @ 4,800	160 @ 3,000							
Thunderbird										V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000							
Thunderbird turbo										L4	3.7 x 3.3	2.3/140	F.I.	8.0	190 @ 4,600	240 @ 3,400							
HONDA—Civic Sedan	96.5	163.2	63.9	54.5	2,065	38.1	40.3	55.1	55.7	L4	2.913 x 3.406	1.49/91	2V	9.2	76 @ 6,000	84 @ 3,500	12.1	5.8	3.7	4.25	F	13	31.5
Accord Sedan	102.4	178.5	66.7	53.4	2,421	38.7	42.8	58.3	58.1	L4	3.256 x 3.583	2.0/119	2V	9.1	98 @ 5,500	109 @ 3,500	15.9	6.6	5.0	3.87	F	13	34.8
Accord Hatchback	102.4	174.8	66.7	52.6	2,416	38.0	42.8	58.3	58.1	L4	3.256 x 3.583	2.0/119	2V	9.1	98 @ 5,500	109 @ 3,500	15.8	6.6	5.0	3.87	F	13	34.8
Accord LXi	102.4	174.8	66.7	52.6	2,498	38.0	42.8	58.3	58.1	L4	3.256 x 3.583	2.0/119	F.I.	8.8	110 @ 5,500	114 @ 3,500	15.9	7.2	5.0	4.06	F	13	34.8
LINCOLN—Contintental	108.5	200.7	73.6	55.6	3,799	38.5	42.0	58.4	59.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	20.3	14.1	5.0	2.73	R	15	40.1
Mark VII	108.5	202.8	70.9	54.2	3,722	37.8	42.0	58.4	59.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	22.1	14.1	5.0	2.73	R	15	40.1
Town Car	117.3	219.0	78.1	55.9	4,051	39.0	43.5	62.2	62.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	18.0	13.4	5.0	3.08	R	15	40.0
OPTIONAL ENGINES: Town Car										V-8	4 x 3	5.0/302	F.I.	8.9	160 @ 3,400	280 @ 2,200							
Mark VII (H.O.)										V-8	4 x 3	5.0/302	F.I.	8.9	200 @ 4,000	285 @ 3,000							
MERCURY—Lynx 2-dr.	94.2	166.9	65.9	53.3	2,183	37.9	41.5	54.7	56.0	L4	3.23 x 3.46	1.9/113.5	2V	9.0	90 @ 4,600	106 @ 3,400	13.0	6.5	4.5	2.85	F	13	35.7
Lynx 4-dr.	94.2	166.9	65.9	53.5	2,258	37.9	41.5	54.7	56.0	L4	3.23 x 3.46	1.9/113.5	2V	9.0	90 @ 4,600	106 @ 3,400	13.0	6.5	4.5	3.52	F	13	35.7
Lynx Wagon	94.2	168.0	65.9	53.5	2,277	37.9	41.5	54.7	56.0	L4	3.23 x 3.46	1.9/113.5	2V	9.0	90 @ 4,600	106 @ 3,400	13.0	6.5	4.5	3.52	F	13	35.7
Topaz 2-dr.	99.9	177.0	68.3	52.7	2,503	37.5	41.5	54.9	57.6	L4	3.7 x 3.3	2.3/140	F.I.	9.0	86 @ 3,800	120 @ 3,200	15.4	8.1	5.0	3.33	F	14	38.7
Topaz 4-dr.	99.9	177.0	68.3	52.7	2,557	37.5	41.5	54.9	57.6	L4	3.7 x 3.3	2.3/140	F.I.	9.0	86 @ 3,800	120 @ 3,200	15.4	8.1	5.0	3.33	F	14	38.7
Sable 4-dr.	106.0	190.9	70.8	54.3	3,054	38.3	41.7	61.6	60.5	V-6	3.5 x 3.1	3.0/182	F.I.	9.3	140 @ 4,800	160 @ 3,000	16.0	10.0	5.0	3.37	F	14	40.0
Sable Wagon	106.0	191.9	70.7	55.1	3,228	38.6	41.7	61.6	59.5	V-6	3.5 x 3.1	3.0/182	F.I.	9.3	140 @ 4,800	160 @ 3,000	16.0	10.0	5.0	3.37	F	14	40.0
Cougar	104.0	200.8	71.1	53.8	3,133	37.7	42.0	58.1	58.5	V-6	3.8 x 3.4	3.8/232	F.I.	8.7	120 @ 3,600	205 @ 1,600	22.1	12.2	5.0	3.27	R	14	41.2
Grand Marquis 2-dr.	114.3	214.0	77.5	55.5	3,757	37.9	43.5	62.2	62.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	18.0	14.4	5.0	2.73	R	15	39.1
Grand Marquis 4-dr.	114.3	214.0	77.5	55.5	3,794	37.9	43.5	62.2	62.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	18.0	14.4	5.0	2.73	R	15	39.1
Grand Marquis Wagon	114.3	218.0	79.3	57.1	3,975	38.8	43.5	62.2	62.0	V-8	4 x 3	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000	18.0	14.4	5.0	2.73	R	15	39.1
OPTIONAL ENGINES: Lynx (H.O.)										L4	3.23 x 3.46	1.9/113.5	F.I.	9.0	115 @ 5,200	120 @ 4,400							
Lynx (diesel)										L4	3.39 x 3.39	2.0/121	F.I.	22.7	58 @ 3,600	84 @ 3,000							
Topaz										L4	3.7 x 3.3	2.3/140	F.I.	9.0	94 @ 4,000	120 @ 3,200							
Cougar										V-8	4.00 x 3.00	5.0/302	F.I.	8.9	150 @ 3,200	270 @ 2,000							
NISSAN—Sentra 2-dr.	95.7	168.7	64.6	54.3	2,200	38.3	43.1	56.3	56.3	L4	2.99 x 3.46	1.6/97.5	2V	9.4	70 @ 5,000	92 @ 2,800	13.2	5.0	3.5	3.89	F	13	30.2
Sentra 4-dr.	95.7	168.7	64.6	54.3	2,231	38.3	43.1	56.3	56.3	L4	2.99 x 3.46	1.6/97.5	2V	9.4	70 @ 5,000	92 @ 2,800	13.2	5.0	3.5	3.89	F	13	30.2

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
NUMMI—Nova	95.6	166.3	64.3	52.7	2,206	37.9	42.4	56.1	55.3	L4	3.18 x 3.03	1.6/96.8	2V	9.0	74 @ 5,200	85 @ 2,800	13.2	6.3	4.0	3.72	F	13	30.8
Corolla FX-16	95.7	160.0	65.2	52.8	2,141	38.3	42.4	56.5	55.7	L4	3.19 x 3.03	1.6/98	F.I.	9.4	108 @ 6,600	96 @ 4,800	13.2	6.3	4.0	4.31	F	13	30.8
OLDSMOBILE—Firenza 2-dr.	101.2	174.3	65.0	51.7	2,327	37.7	42.1	55.4	55.2	L4	3.50 x 3.15	2.0/121	F.I.	9.0	90 @ 5,600	108 @ 3,200	13.6	7.8	5.0	3.65	F	13	34.4
Firenza 4-dr.	101.2	176.2	65.0	53.7	2,381	38.6	42.2	55.4	55.2	L4	3.5 x 3.15	2.0/121	F.I.	9.3	90 @ 5,600	108 @ 3,200	13.6	7.8	5.0	3.65	F	13	34.4
Firenza Wagon	101.2	176.2	65.0	55.2	2,438	38.1	42.2	55.4	55.2	L4	3.5 x 3.15	2.0/121	F.I.	9.3	90 @ 5,600	108 @ 3,200	13.6	7.8	5.0	3.65	F	13	34.4
Calais 2-dr.	103.4	178.8	66.6	52.4	2,513	37.7	42.9	55.5	55.2	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	132 @ 2,800	13.6	7.8	3.5	3.35	F	13	35.4
Calais 4-dr.	103.4	178.8	66.6	52.4	2,513	37.7	42.9	55.5	55.2	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	132 @ 2,800	13.6	7.8	3.5	3.35	F	13	35.4
Cutlass Ciera 2-dr.	104.9	188.3	69.3	54.1	2,685	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	92 @ 4,000	134 @ 2,800	15.7	9.9	4.0	2.39	F	14	36.9
Cutlass Ciera 4-dr.	104.9	188.3	69.3	54.1	2,715	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	92 @ 4,000	134 @ 2,800	15.7	9.9	4.0	2.39	F	14	36.9
Ciera Wagon	104.9	190.8	69.3	54.3	2,847	38.6	42.1	58.7	57.0	V-6	3.5 x 2.99	2.8/173	F.I.	8.5	125 @ 4,800	155 @ 3,600	15.7	9.9	4.0	2.84	F	14	36.9
Cutlass Supreme 2-dr.	108.1	200.0	71.6	54.9	3,203	38.7	42.7	58.5	57.7	V-6	3.8 x 3.4	3.8/231	2V	8.0	110 @ 3,800	190 @ 1,600	18.1	12.3	5.0	2.41	R	14	38.2
Cutlass Supreme 4-dr.	108.1	200.4	71.9	55.9	3,260	38.7	42.7	58.5	57.7	V-6	3.8 x 3.4	3.8/231	2V	8.0	110 @ 3,800	190 @ 1,600	18.1	12.3	5.0	2.41	R	14	37.3
Delta 88 2-dr.	110.8	196.1	72.4	54.7	3,176	38.1	42.4	60.3	59.8	V-6	3.8 x 2.7	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	12.5	5.0	2.73	F	14	39.6
Delta 88 4-dr.	110.8	196.1	72.4	55.5	3,216	38.9	42.4	60.3	59.8	V-6	3.8 x 2.7	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	12.5	5.0	2.73	F	14	39.6
Custom Cruiser V-8 (wagon)	116.0	220.3	79.8	58.5	4,136	39.6	42.2	62.1	64.1	V-8	3.8 x 3.4	5.0/307	4V	8.0	140 @ 3,200	255 @ 2,000	22.0	14.9	5.0	2.73	R	15	39.2
98 Regency Brougham 2-dr.	110.8	196.4	72.4	55.1	3,285	39.3	42.4	60.3	59.8	V-6	3.8 x 3.4	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	12.4	5.0	2.73	F	14	39.6
98 Regency Brougham 4-dr.	110.8	196.4	72.4	55.1	3,320	39.3	42.4	60.3	59.8	V-6	3.8 x 3.4	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.0	12.4	5.0	2.73	F	14	39.6
Toronado	108.0	187.5	70.8	53.0	3,352	37.8	42.7	60.0	60.0	V-6	3.8 x 3.4	3.8/231	F.I.	8.5	140 @ 4,400	200 @ 2,000	18.0	12.0	5.0	2.84	F	14	39.0
OPTIONAL ENGINES: Firenza, Cutlass Ciera (OHC)										L4	3.5 x 3.15	2.0/121	F.I.	8.8	102 @ 5,200	130 @ 2,800							
Firenza, Cutlass Ciera										V-6	3.5 x 2.99	2.8/173	F.I.	8.9	125 @ 4,500	160 @ 3,600							
Calais										V-6	3.8 x 2.7	3.0/181	F.I.	9.0	125 @ 4,900	150 @ 2,400							
Cutlass Supreme										V-6	3.80 x 3.385	5.0/307	F.I.	7.99	140 @ 3,200	255 @ 2,000							
Cutlass Supreme										V-6	3.80 x 3.385	5.0/307	F.I.	7.99	170 @ 4,000	250 @ 2,600							
PLYMOUTH—Horizon 4-dr.	99.1	163.2	66.8	53.0	2,237	38.1	42.1	56.1	55.7	L4	3.44 x 3.62	2.2/135	2V	9.0	96 @ 5,600	119 @ 3,200	13.0	8.7	5.0	2.20	F	13	38.1
Turismo	96.5	174.8	66.1	50.7	2,290	37.2	42.5	56.1	55.7	L4	3.44 x 3.62	2.2/135	2V	9.0	96 @ 5,200	119 @ 3,200	13.0	8.7	5.0	2.20	F	13	37.3
Reliant 2-dr.	100.3	178.6	68.0	52.5	2,375	38.2	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	2V	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	13	35.2
Reliant 4-dr.	100.3	178.6	68.0	52.9	2,402	38.6	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	2V	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	13	35.2
Reliant Wagon	100.4	178.5	68.0	53.2	2,480	38.5	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	2V	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	13	35.2
Sundance	97.0	171.7	67.3	52.7	2,527	38.3	41.5	57.5	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	2.51	F	14	33.9
Caravelle	103.3	185.2	68.0	53.1	2,589	38.6	42.2	57.6	57.2	L4	3.44 x 3.62	2.2/135	F.I.	9.5	97 @ 5,200	122 @ 3,200	14.0	9.0	5.0	3.02	F	14	36.2
Gran Fury	112.6	204.6	72.4	55.1	3,559	39.3	42.5	60.5	60.0	V-8	3.91 x 3.31	5.2/318	2V	9.0	140 @ 3,600	265 @ 2,000	18.0	15.5	5.0	2.26	R	15	40.7
OPTIONAL ENGINES: Reliant										L4	3.44 x 4.09	2.2/153	F.I.	9.0	100 @ 4,800	136 @ 2,800							
Caravelle, Sundance turbos										L4	3.44 x 3.62	2.2/135	F.I.	8.1	146 @ 5,200	171 @ 3,600							
Gran Fury										V-8	3.91 x 3.31	5.2/318	2V	8.0	175 @ 4,000	250 @ 3,200							
PONTIAC—1000 2-dr.	94.3	161.9	61.8	52.8	2,114	37.8	41.7	51.2	51.2	L4	3.23 x 2.98	1.6/98	2V	9.0	65 @ 5,200	80 @ 3,200	12.2	9.0	5.0	3.36	R	13	30.2
1000 4-dr.	97.3	164.9	61.8	52.8	2,173	37.9	41.7	51.2	51.2	L4	3.23 x 2.98	1.6/98	2V	9.0	65 @ 5,200	80 @ 3,200	12.2	9.0	5.0	3.36	R	13	30.2
Fiero SE	93.4	165.1	69.0	46.9	2,567	37.0	43.5	57.8	58.7	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200	11.9	13.7	4.0	3.35	R	14	38.4
Fiero Coupe	93.4	162.7	69.0	46.9	2,546	37.0	43.5	57.8	58.7	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200	11.9	13.7	4.0	3.35	R	14	38.4
Sunbird Coupe	101.2	173.7	66.0	51.9	2,353	37.7	42.2	55.4	55.2	L4	3.39 x 3.39	2.0/122	F.I.	8.8	96 @ 4,800	118 @ 3,600	13.6	8.0	5.0	3.45	F	13	34.7
Sunbird Sedan	101.2	175.7	66.3	53.8	2,404	38.6	42.2	55.4	55.2	L4	3.39 x 3.39	2.0/122	F.I.	8.8	96 @ 4,800	118 @ 3,600	13.6	8.0	5.0	3.45	F	13	34.7
Sunbird Wagon	101.2	175.9	66.3	54.1	2,466	38.3	42.2	55.4	55.2	L4	3.39 x 3.39	2.0/122	F.I.	8.8	96 @ 4,800	118 @ 3,600	13.6	9.6	5.0	3.45	F	13	34.7
Grand Am	103.4	177.5	66.9	52.5	2,492	37.7	42.9	55.5	55.2	V-6	3.80 x 2.76	3.0/183	F.I.	9.0	125 @ 4,900	150 @ 2,400	13.6	7.9	5.0	2.84	F	13	35.1
Grand Am 4-dr.	103.4	177.5	67.5	52.5	2,565	37.7	42.9	55.5	55.2	V-6	3.80 x 2.76	3.0/183	F.I.	9.0	125 @ 4,900	150 @ 2,400	13.6	7.9	5.0	2.84	F	13	35.1
Firebird	101.0	188.0	72.0	49.7	3,105	37.0	43.0	60.7	61.6	V-6	3.50 x 2.99	2.8/170	F.I.	8.9	135 @ 5,100	160 @ 3,900	15.5	9.3	4.0	3.42	R	15	36.9
Firebird Trans Am	101.0	191.6	72.0	49.7	3,274	37.0	43.0	60.7	61.6	V-8	3.74 x 3.48	5.0/305	4V	9.3	165 @ 4,400	250 @ 2,400	16.2	12.9	5.0	3.23	R	15	36.9
Grand Prix	108.1	201.9	72.3	54.7	3,231	37.6	42.8	58.5	57.8	V-6	3.8 x 3.4	3.8/231	2V	8.0	110 @ 3,800	190 @ 1,600	18.1	12.4	5.0	2.41	R	14	37.1
6000 2-dr.	104.9	188.8	72.0	53.3	2,792	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200	15.7	9.7	5.0	2.39	F	14	40.0
6000 4-dr.	104.9	188.8	72.0	53.7	2,755	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	112 @ 4,800	145 @ 2,100	15.7	9.7	5.0	2.39	F	14	40.0
6000 Wagon	104.9	193.2	72.0	54.1	2,925	38.6	42.1	58.7	57.0	L4	4 x 3	2.5/151	F.I.	9.0	140 @ 5,200	170 @ 3,600	15.7	9.7	6.0	2.39	F	14	40.0
Safari Wagon	116.0	215.1	79.3	57.4	4,080	39.6	42.2	62.2	64.1	V-8	3.80 x 3.39	5.0/305	4V	8.0	140 @ 3,200	255 @ 2,000	22.0	16.4	6.0	2.73	R	15	39.7
Bonneville Sedan	110.8	198.7	72.1	55.5	3,315	38.9	42.4	58.5	57.8	V-6	3.8 x 3.4	3.8/231	F.I.	8.5	150 @ 4,400	200 @ 2,000	18.1	12.4	5.0	2.73	R	14	37.1
OPTIONAL ENGINES: Sunbird, Grand Am turbos										L4	3.39 x 3.39	2.0/122	F.I.	8.0	165 @ 5,600	175 @ 4,000							
Grand Am										L4	4 x 3	2.5/151	F.I.	9.0	98 @ 4,800	135 @ 3,200							
Fiero										V-6	3.50 x 2.99	2.8/173	F.I.	8.5	135 @ 4,500	165 @ 3,600							
6000										V-6	3.50 x 2.99	2.8/173	F.I.	8.9	125 @ 4,800	160 @ 3,600							
Grand Am										V-6	3.80 x 2.76	3.0/183	F.I.	9.0	125 @ 4,900	150 @ 2,400							
Firebird										V-8	3.74 x 3.48	5.0/305	4V	9.3	155 @ 4,200	245 @ 2,000							
Grand Prix										V-8	3.74 x 3.48	5.0/305	4V	9.3	150 @ 4,000	245 @ 2,000							
Formula, Trans Am										V-8	4.00 x 3.48	5.7/350	F.I.	9.3	210 @ 4,000	315 @ 3,200							
RENAULT/AMC—Alliance	97.8	163.8	65.0	51.3	1,959	37.1	40.8	55.2	52.8	L4	2.99 x 3.03	1.4/85.2	F.I.	9.0	56 @ 4,200	75 @ 2,500	12.5	4.7	5.0	3.56	F	13	30.3
Alliance Hatchback	97.8	160.6	65.0	51.3	2,009	37.1	40.8	55.2	52.8	L4	2.99 x 3.03	1.4/85.2	F.I.	9.0	56 @ 4,200	75 @ 2,500	12.5	4.7	5.0	3.56	F	13	30.3
Alliance Convertible	97.8	163.8	65.0	53.1	2,206	38.5	40.8	55.2	52.8	L4	3.19 x 3.29	1.7/104	F.I.	9.5	77.5 @ 5,000	96 @ 3,000	12.5	4.7	5.0	3.29	F	13	30.3
GTA	97.8	163.8	65.0	51.3	2,097	37.1	40.8	55.2	52.8	L4	3.228 x 3.661	2.0/120	F.I.	9.5	95 @ 5,250	114 @ 2,750	12.5	4.7	5.0	4.07	F	13	30.3
OPTIONAL ENGINES: Alliance										L4	3.19 x 3.29	1.7/104	F.I.	9.5	77.5 @ 5,000	96 @ 3,000							
VOLKSWAGEN—Golf GL	97.3	158.0	65.5	55.7	2,163	N.A.	N.A.	56.3	56.0	L4	3.19 x 3.40	1.8/109	F.I.	9.0	85 @ 5,250	96 @ 3,000	14.5	7.3	4.3	3.67	F	13	34.3
GTI	97.3	158.0	66.1	55.7	2,203	N.A.	N.A.	56.3	56.0	L4	3.19 x 3.40	1.8/109	F.I.	10.0	102 @ 5,250	110 @ 3,250	14.5	7.3	4.3	3.67	F	14	34.4
Jetta	97.3	171.7	65.5	55.7	2,275	N.A.	N.A.	56.3	56.0	L4	3.19 x 3.40	1.8/109	F.I.	9.0	85 @ 5,250	96 @ 3,000	14.5	7.3	4.3	3.67	F	13	34.4
OPTIONAL ENGINES: Golf diesel										L4	3.01 x 3.40	1.6/97	F.I.	23.0	52 @ 4,800	71 @ 2,000							

NOTE: This table has been compiled from information supplied by factories, distributors and other direct sources. Every reasonable precaution has been taken to insure accuracy, but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

List of Abbreviations:
N.A.—Information not available.
F.I.—Fuel Injection.
H.O.—High Output.

PRODUCTS/SPECIFICATIONS

1987-model domestic car body family designations

What's a body to do when a new-model season begins in Detroit?

In the case of *Automotive News*, you do a study of domestic car-body family designations — or "platforms" as they're called by technical people.

There were a number of happenings in the '87 model year.

Gone is Ford Motor Co.'s L-body Ford LTD and Mercury Marquis, full-size rear-wheel-drive cars that were phased out during the '86 model run.

Also gone is Chrysler Motors' Chrysler Limo, designated the KC-body during its brief lifespan.

Whereas Ford did not add any new bodies in '87, Chrysler did — a J-body Chrysler LeBaron coupe and convertible, and P-body Plymouth Sundance and Dodge Shadow.

General Motors did not discard any bodies, but added some — the brand-new L-body Chevrolet Corsica and Beretta, and super-lux V-body Cadillac Allante.

In addition, Pontiac Bonneville, a rear-wheel-drive G-body in '86, was resized and redesignated a front-wheel-drive H-body in '87.

While no other complete body families were dropped or added by the three companies in '87, there were individual-model comings and goings and some name-changing.

Chrysler dropped its CV-body Dodge 600 convertible and G-body Chrysler Laser. But showing up in '87 was a G-body Dodge Daytona Turbo Z.

In a parenthetical gesture, Chrysler's L-body Plymouth Horizon and Dodge Omni were designated Horizon (America) and Dodge (America) in the '87 chart.

GM's Buick Motor Div. relabeled its '86 B-body Estate Wagons the LeSabre Wagon and Electra Wagon for '87.

The accompanying charts detail the 1987 model-year family/platform nomenclature. ■

GENERAL MOTORS CORP.

	Chevrolet	Pontiac	Oldsmobile	Buick	Cadillac
A	Celebrity	6000	Cutlass Ciera	Century	—
B	Caprice, Caprice Classic	Parisienne	Custom Cruiser Wagon	Electra Wagon LeSabre Wagon	—
C	—	—	Ninety-Eight	Electra/ Park Avenue	DeVille, Fleetwood Limousine, Funeral Coach
D	—	—	—	—	Fleetwood Brougham
E	—	—	Toronado	Riviera	Eldorado
F	Camaro	Firebird	—	—	—
G	Monte Carlo	Grand Prix	Cutlass Supreme	Regal	—
H	—	Bonneville	Delta 88	LeSabre	—
J	Cavalier	Sunbird	Firenza	Skyhawk	Cimarron
K	—	—	—	—	Seville
L	Corsica, Beretta	—	—	—	—
M	Sprint	—	—	—	—
N	—	Grand Am	Calais	Somerset/ Skylark	—
P	—	Fiero, Fiero GT	—	—	—
R	Spectrum	—	—	—	—
S	Nova	—	—	—	—
T	Chevette	1000	—	—	—
V	—	—	—	—	Allante
Y	Corvette	—	—	—	—

FORD MOTOR CO.

	Ford	Mercury	Lincoln
Erika	Escort, Escort EXP	Lynx	—
Topaz	Tempo	Topaz	—
Fox	Mustang	—	—
LS	—	—	Continental, Mark VII
S	Thunderbird	Cougar	—
Taurus	Taurus	Sable	—
Panther	LTD Crown Victoria	Grand Marquis	Town Car

CHRYSLER MOTORS

	Plymouth	Dodge	Chrysler
CV	—	—	LeBaron 4-dr., Town & Country Wagon
E	Caravelle	600	New Yorker
G	—	Daytona, Daytona Turbo Z	—
H	—	Lancer	LeBaron GTS
J	—	—	LeBaron coupe & convertible
K	Reliant	Aries	—
L	Horizon (America), Turismo	Omni (America), Charger, Shelby Charger	—
M	Gran Fury	Diplomat	Fifth Avenue
P	Sundance	Shadow	—
S	Voyager	Caravan	—

PRODUCTS/SPECIFICATIONS

1987-model import-car specifications

MAKE AND MODEL	DIMENSIONS									ENGINE						CAPACITY			MISCELLANEOUS				
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Track (in.)	Rear Track (in.)	Number of Cylinders	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net BHP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase with filter (qts.)	Axle Ratio (standard)	Standard Transmission	Drive System	Wheel Diameter (in.)	Curb to Curb Turning Circle (dia. in ft.)
ACURA Integra 3-dr.	96.5	168.5	65.6	53.8	2,326	37.5	40.7	55.9	56.5	L-4	1.6/97	F.I.	9.3	113@6,250	99@5,500	13.2	5.9	4.2	4.21	M5	F	14	30.8
Integra 5-dr.	99.2	171.3	65.6	50.8	2,390	37.5	40.7	55.9	56.5	L-4	1.6/97	F.I.	9.3	113@6,250	99@5,500	13.2	5.9	4.2	4.21	M5	F	14	30.8
Legend Coupe 2-dr.	106.5	188.0	66.7	53.9	3,089	37.2	42.9	59.1	59.1	V-6	2.7/163	F.I.	9.0	161@5,900	162@4,500	18.0	9.3	6.0	4.20	M5	F	15	36.5
Legend Sedan 4-dr.	108.7	189.4	68.3	54.7	3,078	37.2	42.3	59.1	57.5	V-6	2.5/152	F.I.	9.0	151@5,800	154@4,500	18.0	9.3	5.7	4.20	M5	F	15	36.1
ALFA ROMEO Graduate	88.6	168.8	64.1	48.8	2,548	33.9	29.5	52.1	50.1	4	2.0/119.6	F.I.	9.0	115@5,500	119.4@2,750	12.2	8.0	7.0	4.10	M5	R	14	34.5
Spider Veloce	88.6	168.8	64.1	48.8	2,548	33.9	29.5	52.1	50.1	4	2.0/119.6	F.I.	9.0	115@5,500	119@2,750	12.2	8.0	7.0	4.10	M5	R	14	34.5
Milano	98.8	170.5	64.2	53.1	2,907	38.2	37.2	54.3	54.1	6	2.49/151	F.I.	9.0	154@5,500	151.9@3,200	17.6	10.6	7.6	4.10	M5	R	14	32.8
ASTON MARTIN V-8 Coupe	102.8	189.5	72.0	52.3	4,100	N.A.	N.A.	59.0	59.0	V-8	5.3/326	4-2V	8.3	N.A.	N.A.	25.2	19.2	12.0	3.54	M5	R	15	38.0
Volante Convertible	102.8	189.5	72.0	54.0	4,100	N.A.	N.A.	59.0	59.0	V-8	5.3/326	4-2V	8.3	N.A.	N.A.	25.8	19.2	12.0	3.54	M5	R	15	38.0
Lagonda	115.0	207.9	70.5	51.2	4,400	N.A.	N.A.	59.0	59.0	V-8	5.3/326	N.A.	N.A.	N.A.	N.A.	33.3	N.A.	N.A.	N.A.	A3	R	15	N.A.
AUDI 4000S	99.8	176.6	66.2	54.3	2,337	38.1	40.9	55.1	55.9	L-4	1.8/109	F.I.	10.0	102@5,500	111@3,250	15.8	6.9	3.7	4.11	M5	F	14	34.0
4000CS Quattro	99.4	176.6	66.4	54.3	2,824	38.1	40.9	55.4	55.8	L-5	2.2/136	F.I.	8.5	115@5,500	126@3,000	18.5	8.5	4.0	4.11	M5	4	14	34.8
Coupe GT	99.8	177.3	66.3	53.1	2,507	37.2	40.9	55.2	55.9	L-5	2.2/136	F.I.	8.5	110@5,500	122@2,500	15.8	7.4	4.0	4.90	M5	F	14	32.5
5000S	105.8	192.7	71.4	55.7	2,844	37.9	41.9	57.8	57.8	L-5	2.2/136	F.I.	8.5	110@5,500	122@2,500	21.1	8.5	5.3	4.11	M5	F	14	34.2
5000S Wagon	105.8	192.7	71.4	55.7	2,954	37.9	41.9	57.8	57.8	L-5	2.2/136	F.I.	8.5	110@5,500	122@2,500	21.1	8.5	5.3	4.11	M5	F	14	34.2
5000CS Turbo	105.8	192.7	71.4	55.9	3,086	37.9	41.1	57.8	57.8	5	2.2/136	F.I.	7.8	*158@5,500	*166@2,500	21.1	8.5	5.3	3.89	M5	F	15	34.2
5000CS Turbo Quattro	105.8	192.7	71.4	55.9	3,351	37.6	41.1	57.8	57.8	5	2.2/136	F.I.	7.8	*158@5,500	*166@3,000	21.1	8.5	5.3	3.89	M5	4	15	34.2
5000CS Turbo Quattro Wagon	105.8	192.7	71.4	55.9	3,437	37.6	41.1	57.8	57.8	5	2.2/136	F.I.	7.8	*158@5,500	*166@3,000	21.1	8.5	5.3	3.89	M5	4	15	34.2
* Unleaded premium: 162@5,500 hp, 177@3,000 torque.																							
AUSTIN ROVER Sterling	108.6	188.8	76.8	54.8	3,164	37.8	41.2	58.8	57.1	V-6	2.5/152.2	F.I.	9.0	151@5,800	154@4,500	18.0	10.6	4.8	4.20	M5	F	15	36.5
BERTONE X1/9	86.7	156.3	61.8	46.8	2,210	N.A.	N.A.	53.3	53.6	4	1.5/91.4	F.I.	8.5	75@5,500	79@3,000	12.2	12.2	4.33	4.07	M5	R	13	32.8
BMW 325 Sedan	101.2	175.6	64.8	54.3	2,765	37.7	39.6	55.4	55.7	6	2.7/164	F.I.	9.0	121@4,250	170@3,250	14.5	11.6	4.5	2.93	M5	R	14	32.2
325i	101.2	175.6	64.8	54.3	2,850	37.7	39.6	55.4	55.7	6	2.5/152	F.I.	8.8	168@5,800	164@4,300	14.5	11.6	4.5	3.73	M5	R	14	32.2
M3	100.9	171.1	66.1	53.9	2,735	37.7	39.6	55.6	56.4	4	2.3/140	F.I.	10.5	192@6,750	170@4,750	18.5	N.A.	N.A.	4.10	M5	R	15	32.2
528e Sedan	103.3	189.0	66.9	55.7	3,100	38.2	41.7	56.3	57.5	6	2.7/164	F.I.	9.0	121@4,250	170@3,250	16.6	11.6	4.5	2.93	M5	R	14	32.8
535i Sedan	103.3	189.0	66.9	55.7	3,270	37.0	41.7	56.3	57.5	6	3.4/209	F.I.	8.0	182@5,400	214@4,000	16.6	12.7	6.0	3.25	M5	R	390mm	32.8
M5	103.3	189.0	66.9	55.7	3,420	N.A.	N.A.	56.3	57.7	6	3.5/211	F.I.	9.8	256@6,500	243@4,500	16.6	N.A.	N.A.	3.91	M5	R	16	32.8
L6	103.3	193.8	67.9	53.7	3,490	N.A.	N.A.	56.3	57.5	6	3.4/209	F.I.	8.0	182@5,400	214@4,000	16.6	N.A.	N.A.	3.46	L4	R	390mm	33.1
M6	103.3	193.8	67.6	53.3	3,570	N.A.	N.A.	56.3	57.6	6	3.5/211	F.I.	9.8	256@6,500	243@4,500	16.6	N.A.	N.A.	3.91	M5	R	415mm	34.2
735i Sedan	111.5	193.3	72.6	55.6	3,836	37.1	42.1	60.2	61.4	6	3.4/209	F.I.	9.0	208@5,700	225@4,000	21.5	12.7	6.0	3.64	M5	R	15	38.0
CHEVROLET Sprint 2-dr.	88.4	144.5	60.2	53.1	1,565	36.0	42.0	52.6	51.2	3	1.0/60.6	2V	9.5	48@5,100	77@3,200	8.7	4.3	4.0	4.10	M5	F	14	30.2
Sprint 4-dr.	92.3	148.2	60.2	53.1	1,620	36.0	42.0	52.6	51.2	3	1.0/60.6	2V	9.5	48@5,100	77@3,200	8.7	4.3	4.0	4.10	M5	F	12	31.5
Spectrum Hatchback	94.5	157.4	63.6	52.0	1,947	38.0	41.7	54.7	54.3	4	1.5/90	2V	9.6	70@5,100	87@3,400	11.1	6.8	4.0	3.58	M5	F	13	32.8
OPTIONAL ENGINES: Sprint turbo										3	1.0/60.6	F.I.	8.3	70@5,500	107@3,500								
CHRYSLER Conquest Turbo	95.9	173.2	66.3	50.2	2,922	36.6	40.7	55.5	55.1	4	2.6/155.9	F.I.	7.0	145@5,000	185@2,500	19.8	8.8	4.3	3.54	M5	R	15	31.5
OPTIONAL ENGINES: Conquest Intercooled Turbo										4	2.6/155.9	F.I.	7.0	176@5,000	223@2,500								
COLT (Plymouth and Dodge) 2-dr.	93.7	157.3	63.8	53.4	1,984	37.7	40.6	55.5	52.8	4	1.5/90.0	2V	9.4	68@5,500	85@3,500	11.9	4.5	4.0	3.46	M4	F	13	30.2
Colt 4-dr. Sedan	93.7	169.1	63.8	53.4	2,051	37.7	40.1	55.5	52.8	4	1.5/90.0	2V	9.4	68@5,500	85@3,500	11.9	4.5	4.0	4.02	M5	F	13	30.2
Colt Vista Wagon	103.4	174.6	64.6	57.3	2,557	38.3	38.8	55.5	54.1	4	2.0/122.0	2V	8.5	88@5,000	108@3,500	13.2	7.4	4.1	3.19	M5	F	13	34.8
Colt Vista Wagon (4wd)	103.5	174.6	64.6	59.4	2,888	38.3	38.8	55.3	54.5	4	2.0/122.0	2V	8.5	88@5,000	108@3,500	14.5	7.4	4.1	3.71	M5	F	14	34.8
OPTIONAL ENGINES: Colt turbo										L-4	1.6/97.6	F.I.	7.6	102@5,500	122@3,000								
FERRARI 328 GTB/S	92.5	168.7	68.1	40.1	3,140	N.A.	N.A.	58.0	57.8	8	3.2/194.4	F.I.	9.2	260@7,000	213.5@5,500	18.5	23.2	10.5	4.06	M5	R	16	39.3
3.2 Mondial Coupe/Cabriolet	104.3	178.5	70.6	48.6	3,400	N.A.	N.A.	59.8	59.4	8	3.2/194.4	F.I.	9.2	260@7,000	213.5@5,500	18.5	25.3	10.5	4.06	M5	R	16	38.9
Testarossa	100.4	176.6	77.8	44.5	3,660	N.A.	N.A.	59.8	65.4	12	4.9/301.5	F.I.	8.8	380@5,750	354@4,500	26.5	21.0	16.4	3.21	M5	R	16	39.3
FORD Festiva (1988 model)	90.2	140.5	63.2	55.3	1,713	38.8	40.6	55.1	54.5	L-4	1.3/80.7	2V	9.0	58@5,000	75@3,500	10.0	5.0	3.6	2.61	M5	F	12	14.1
HONDA CRX HF	86.6	144.7	63.9	50.8	1,713	37.6	42.7	51.5	55.7	4	1.5/90.8	3V	9.3	58@4,500	79@2,500	10.0	4.7	3.7	2.95	M5	F	13	29.5
CRX Si	86.6	147.8	63.9	50.8	1,978	37.6	42.7	55.1	55.7	L-4	1.5/90.8	F.I.	8.7	91@5,500	92.9@4,500	11.9	5.8	3.7	4.40	M5	F	13	29.5
Civic DX	93.7	151.4	63.9	52.6	1,887	37.6	43.3	55.1	55.7	4	1.3/82.0	3V	10.0	60@5,500	73@3,500	11.9	5.8	4.0	3.58	M5	F	13	30.8
Civic Sedan 4-dr.	96.5	163.4	63.9	54.5	1,940	38.1	40.3	55.1	55.7	4	1.5/90.8	3V	9.2	76@6,000	84@3,500	12.1	5.8	4.0	4.25	M5	F	13	31.5
Civic Wagon 4wd	96.5	158.7	63.9	58.3	2,304	39.2	38.9	55.1	57.7	4	1.5/90.8	3V	9.2	74@6,000	83@3,500	12.1	5.8	4.0	4.47	M6	F	13	30.2
Accord Hatchback DX	102.4	178.5	66.7	53.4	2,416	38.0	42.8	58.3	58.1	4	2.0/119.0	3V	9.1	98@5,500	109@3,500	15.8	6.6	4.2	3.87	M5	F	13	34.1
Prelude Si	96.5	172.0	66.9	48.6	2,379	37.3	43.2	57.9	57.9	4	2.0/119.0	F.I.	8.8	110@5,500	114@4,500	15.8	6.6	4.2	4.07	M5	F	13	34.1
HYUNDAI Excel	93.7	161.0	63.1	54.1	2,156	37.5	40.9	54.1	52.8	4	1.5/89.6	2V	9.4	68@5,500	82@3,500	10.6	6.0	3.5	3.47	M4	F	13	33.8
ISUZU I-Mark Coupe	94.5	157.4	63.5	54.1	1,923	38.0	41.7	54.7	54.3	4	1.5/90.0	2V	9.6	70@5,400	87@3,400	11.1	6.8	4.0	3.58	M5	F	13	32.8
Impulse Sports Coupe	96.1	172.6	65.2	51.4	2,727	36.9	41.9	53.3	53.9	4	1.9/118.9	F.I.	9.2	90@5,000	146@3,000	15.1	9.3	4.4	3.91	M5	R	14	31.5
OPTIONAL ENGINES: I-Mark										L-4	1.5/90	F.I.	8.0	110@5,400	120@3,500								
Impulse turbo										L-4	1.9/121	F.I.	7.9	140@5,400	166@3,000								
JAGUAR XJ-6	113.0	199.6	69.6	52.8	4,057	38.1	39.3	58.3	58.9	6	4.2/258.0	F.I.	8.1	176@4,750	219@2,500	23.8	19.25	8.7	2.88	A3	R	15	38.0
XJ-S Coupe	102.0	191.7	70.6	47.8	4,040	36.1	41.3	58.6	59.2	V-12	5.3/326.0	F.I.	11.5	262@5,000	290@5,000	24.0	21.5	11.5	2.88	A3	R	15	39.4
LAMBORGHINI Jalpa	96.5	170.5	74.0	44.9	3,307	N.A.	N.A.	59.1	61.2	V-8	3.5/213.6	4-2V	9.2	255@7,000	233@3,500	21.1	N.A.	2.4	N.A.	M5	R	16	36.1
Countach	96.5	163.0	78.7	42.1	3,278	N.A.	N.A.	N.A.	N.A.	V-12	5.3/323.4	F.I.	9.5	420@7,000	340@5,000	31.8	N.A.	N.A.	4.09	M5	R	15	N.A.
LOTUS Turbo Esprit	96.0	169.0	73.0	44.5	2,700	N.A.	N.A.	60.5	61.2	4	2.2/132.6	F.I.	8.0	215@6,250	194@5,000	20.1	12.5	6.8	4.38	M5	R	15	36.0
MASERATI Biturbo 425, Spyder, Si	102.4	173.2	68.1	53.5	2,780	N.A.	N.A.	56.7	57.2	V-6	2.5/152	F.I.	7.3	188@5,500	208@3,000	20.0	9.0	6.3	3.31	M5	R	14	38.0
MAZDA 323	94.5	161.8	64.8	54.7	2,060	38.4	41.5	54.7	55.7	4	1.6/97.4	F.I.	9.3	82@5,000	92@2,500	11.9	5.2	3.6	4.10	M4	F	13	30.8
626 Sedan	98.8	177.8	66.5	55.5	2,450	38.9	41.4	56.3	56.1	4	2.0/121.9	F.I.	8.6	93@5,000	115@2,500	15.8	7.6	4.8	4.10	M5	F	14	33.5
RX-7	95.7	168.9	66.5	49.8	2,625	37.2	43.7	57.1	56.7	Rotary	1.3/80.0	F.I.	9.4	146@6,500	138@3,500	16.6	9.2	6.4	4.10	M5	R	14	16.1
OPTIONAL ENGINES: 626 turbo										L-4	2.0/121.9	F.I.	7.8	120@5,000	150@3,000								
RX-7 turbo										Rotary	1.3/80.0	F.I.	8.5	182@6,500	183@3,500								
MERCEDES-BENZ 190E	104.9	175.1	66.1	54.7	2,880	36.9	41.9	56.6	55.8	4	2.3/140.3	F.I.	9.0	130@5,100	146@3,500	14.5	9.0	5.3	3.27	A4	R	15	35.0
190E 2.3-16	104.9	174.4	67.2	53.6	3,110	36.9	41.9	56.9	56.3	4	2.3/140.3	F.I.	9.7	167@5,800	162@4,750	18.5	8.3	5.8	3.27	A4	R	15	34.8
190D (diesel)	104.9	175.0	66.1	54.7	2,845	36.9	41.9	56.6	55.8	5	2.5/152.6	F.I.	22.0	93@4,600	122@2,800	14.5	8.3	7.4	3.07	A4	R	15	35.0
300E	110.2	187.2	68.5	56.9	3,220	36.9	41.7	58.9	58.6	6	3.0/180.8	F.I.	9.2	177@5,700	188@4,400	18.5	9.9	6.9	3.07	A4	R	15	36.7
300D turbodiesel	110.2	187.2	68.5	56.9	3,375	36.9	41.7	58.9	58.6	6	3.0/182.9	F.I.	22.0	143@4,600	195@2,400	18.5	10.6	11.0	2.65	A4	R	15	36.7
300SDL turbodiesel	121.1	208.1	71.7	56.7	3,835	37.3	41.9	61.2	60.1	6	3.0/182.9	F.I.	22.0	143@4,600	195@2,400	23.8	10.6	9.7	2.88	A4	R	15	40.6
420SEL Sedan	121.1	208.1	71.7	56.7	3,850	37.3	41.9	61.2	60.1	V-8	4.2/256.0	F.I.	9.0	201@5,200	228@3,600	23.8	14.1	8.0	2.47	A4	R	15	40.6
560SEL	120.9	208.1	71.7	56.3	4,035	37.3	41.9	61.2	60.1	V-8	5.6/338.5	F.I.	9.0	238@4,800	287@3,500	23.8	14.1	8.0	2.47	A4	R	15	40.6
560SL	96.7	180.3	70.5	51.5	3,705	36.7	42.2	57.7	57.7	V-8	5.6/338.5	F.I.	9.0	227@4,750	279@3,250	22.5	15.2	8.0	2.47	A4	R	15	34.3
560SEC	112.0	199.2	72.0	55.0	3,890	36.8	41.9	61.2	60.1	V-8	5.6/338.5	F.I.	9.0	238@4,800	287@3,500	23.8	14.1	8.0	2.47	A4	R	15	38.1
MERCURY Merkur XR4Ti	102.7	178.4	68.0	53.8	2,920	38.5	41.0	57.2	57.8	4	2.3/140.0	F.I.	8.0	145@4,400	180@3,000	15.0	10.5	5.0	3.64	A3	F	15	35.4
Scorpio (1988 model)	108.7	186.4	68.1	54.6	3,245	37.0	41.3	58.1	58.1	V-6	2.9/177	F.I.	9.0	144@5,600	162@3,200	10.0	16.9	4.0	3.64	M5	R	15	34.1
Tracer (1988 model)	94.7	162.0	65.2	53.0	2,158	38.3	41.5	54.9	56.0	L-4	1.6/97.4	F.I.	9.3	82@5,000	92@2,500	11.9	5.3	3.6	3.63	M5	F	13	30.8
OPTIONAL ENGINES: XR4Ti turbo										4	2.3/140.0	F.I.	8.0	175@5,000	200@3,000					M5			
MITSUBISHI Mirage	93.7	157.3	64.4	53.5	1,984	37.7	40.6	55.5	52.8	4	1.5/89.6	2V	9.4	68@5,500	85@3,500	11.9	5.3	2.6	3.15	M4	F	13	30.2
Precis 3-dr.	93.7	160.9	63.1	54.1	2,161	37.5	40.9	54.1	52.8	I-4	1.46/89.6	2V	9.4	68@5,500	82@3,500	10.6	N.A.	N.A.	3.60	M5	F	13	33.8
Precis 5-dr.	93.7	160.9	63.1	54.1	N.A.	37.5	40.9	54.1	52.8	I-4	1.46/89.6	2V	9.4	68@5,500	82@3,500	10.6	N.A.	N.A.	3.60	M5	F	13	33.8
Tredia	96.3	172.4	65.4	51.6	2,370	37.6	40.9	55.5	54.1	4	2.0/122	2V	8.5	88@5,000	108@3,500	12.8	7.7	3.1	3.19	M5	F	13	32.2
Cordia L	96.3	173.0	65.4	49.4	2,337	36.8	41.3	55.5	54.1	4	2.0/122	2V	8.5	88@5,000	108@3,500	12.8	7.7	3.1	3.19	M5	F	13	32.2
Galant	102.4	183.1	66.7	51.6	2,811	38.3	40.3	56.9	55.3	4	2.4/143.4	F.I.	8.5	110@4,500	138@3,500	15.9	7.4	3.1	3.41	M5	F	15	34.8

PRODUCTS/SPECIFICATIONS

MAKE AND MODEL	DIMENSIONS									ENGINE						CAPACITY			MISCELLANEOUS				
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Track (in.)	Rear Track (in.)	Number of Cylinders	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net BHP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase with filter (qts.)	Axle Ratio (standard)	Standard Transmission	Drive System	Wheel Diameter (in.)	Curb to Curb Turning Circle (dia., in. ft.)
Starion LE	95.9	173.2	66.8	50.2	2,908	36.6	40.8	55.5	55.1	4	2.6/156	F.I.	7.0	145@5,000	185@2,500	19.8	9.5	3.3	3.55	M5	R	14	31.5
OPTIONAL ENGINES: Mirage turbo										L-4	1.6/97.4	F.I.	7.6	105@5,500	122@3,500								
Tredia, Cordia turbos										L-4	1.8/109	F.I.	7.5	116@5,500	129@3,000								
Starion turbo										L-4	2.6/156	F.I.	7.0	176@5,000	223@2,500								
NISSAN Sentra	95.7	168.7	64.6	54.3	2,200	38.3	43.1	56.3	56.3	L-4	1.6/97.5	2V	9.4	70@5,000	92@2,800	13.2	10.5	5.5	3.89	M5	F	13	30.2
Sentra Hatchback	95.7	162.4	66.4	55.3	2,238	37.3	43.1	56.3	56.3	4	1.6/97.5	2V	9.4	70@5,000	92@2,800	13.2	6.3	4.2	3.89	M5	F	13	30.2
Sentra Wagon	95.7	172.2	64.6	54.3	2,304	37.3	43.1	56.3	56.3	4	1.6/97.5	2V	9.4	70@5,000	92@2,800	13.2	6.3	4.2	3.89	M5	F	13	30.2
Pulsar NX	95.7	166.5	66.1	51.0	2,365	38.0	42.0	56.9	56.9	4	1.6/97.5	F.I.	9.4	70@5,000	94@2,800	13.2	6.3	4.1	4.47	M5	F	13	31.6
Stanza Sedan	100.4	177.8	66.5	54.9	2,770	38.1	43.0	55.7	55.7	4	2.0/120.4	F.I.	8.5	97@5,200	114@2,800	16.1	7.8	4.1	4.17	M5	F	14	32.8
Stanza Wagon	99.0	170.3	65.2	54.7	2,809	38.8	39.4	56.3	55.5	4	2.0/120.4	2V	8.5	97@5,200	114@3,200	14.3	4.1	3.55	3.56	M5	F	13	32.1
Maxima Sedan	100.4	181.5	66.5	55.1	3,040	37.0	42.0	57.5	57.1	6	3.0/151	F.I.	9.0	152@5,200	167@3,600	15.9	11.6	5.3	3.43	M5	F	15	35.4
Maxima Wagon	100.4	184.8	66.5	55.7	3,280	37.0	42.0	57.5	57.1	6	3.0/151	F.I.	9.0	152@5,200	167@3,600	15.9	11.6	5.3	3.43	M5	F	15	35.4
200-SX Notchback	95.5	174.4	65.0	50.4	2,645	38.1	44.4	54.7	56.1	4	2.0/120.4	F.I.	8.5	102@5,200	116@3,200	14.0	7.8	4.1	4.11	M5	R	15	32.2
300-ZX	91.3	170.7	67.9	49.7	3,139	36.6	43.6	57.7	56.5	6	3.0/180.6	F.I.	9.0	160@5,200	174@4,000	19.0	11.1	4.3	3.70	M5	R	15	32.2
300-ZX 2+2	99.2	178.5	67.9	49.8	3,265	37.2	43.6	57.7	56.5	6	3.0/180.6	F.I.	9.0	160@5,200	174@4,000	19.0	11.1	4.3	3.70	M5	R	15	34.8
OPTIONAL ENGINES: Pulsar										L-4	1.6/97.5	F.I.	10.0	113@6,400	99@4,800								
200-SX										V-6	3.0/180.6	F.I.	9.0	160@5,200	174@4,000								
300-ZX turbo										V-6	3.0/180.6	F.I.	7.8	200@5,200	227@3,600								
PEUGEOT 505 Sedan	108.0	186.7	68.3	56.7	2,870	33.9	41.0	58.3	56.9	4	2.2/134	F.I.	8.8	120@5,000	131@3,500	18.0	8.9	4.75	4.11	M5	R	14	35.1
505 Sedan turbo	108.0	186.7	68.3	55.6	3,075	33.9	41.0	59.1	57.3	4	2.2/134	F.I.	7.5	150@5,000	180@2,750	18.0	10.0	5.3	3.46	M5	R	15	35.1
505 STX	108.0	186.7	68.3	55.6	3,120	33.9	41.0	59.1	57.3	V-6	2.8/170	F.I.	9.5	145@5,000	173@3,750	18.0	10.0	6.0	3.70	M5	R	15	35.1
505 turbo Wagon	114.2	198.9	68.4	60.9	3,175	34.8	32.4	58.9	57.2	4	2.2/134	F.I.	7.5	150@5,000	180@2,750	18.0	10.0	5.3	3.46	A3	R	14	37.4
OPTIONAL ENGINES: 505 Turbodiesel										L-4	2.5/152	F.I.	21.0	95@4,150	133.4@2,000								
PONTIAC LeMans (1988 model)	99.2	163.7	65.5	54.7	2,088	38.7	42.1	N.A.	N.A.	L-4	1.6/97	F.I.	9.0	74@5,200	88@3,400	13	N.A.	N.A.	3.43	M5	F	13	32.0
PORSCHE 924S	94.5	168.9	66.3	50.2	2,734	N.A.	N.A.	55.8	54.8	4	2.5/151.0	F.I.	9.7	147@5,800	140@3,000	17.4	9.0	6.3	2.43	M5	R	15	33.8
944	94.5	168.9	66.3	50.2	2,778	N.A.	N.A.	58.2	57.1	4	2.5/151.0	F.I.	9.7	147@5,800	140@3,000	21.1	8.0	6.3	3.89	M5	R	15	33.8
944S	94.5	168.9	66.3	50.2	2,734	N.A.	N.A.	58.2	57.1	4	2.5/151.0	F.I.	9.7	147@5,800	140@3,000	21.1	9.0	6.3	3.89	M5	R	15	33.8
911 Carrera Coupe	89.5	168.9	65.0	52.0	2,756	N.A.	N.A.	53.9	54.3	6	3.2/193.2	F.I.	9.5	214@5,900	195@4,800	22.5	—	13.0	3.44	M5	R	15	35.9
911 Turbo	89.5	168.9	69.9	51.6	2,976	N.A.	N.A.	56.4	59.1	6	3.3/201.3	F.I.	7.0	282@4,000	278@4,000	22.5	—	13.7	4.22	M5	R	16	35.9
928S4	98.4	178.1	72.3	50.5	3,505	N.A.	N.A.	61.1	61.0	V-8	5.0/302.5	F.I.	10.0	316@6,000	317@3,000	22.7	16.0	7.0	2.20	M5	R	16	37.7
OPTIONAL ENGINES: 944 Turbo										4	2.5/151.0	F.I.	8.0	217@5,800	243@3,500								
RENAULT/AMC Medallion (1988 model)	102.3	183.2	67.5	55.7	2,588	37.8	42.2	57.2	55.3	L-4	2.2/134	F.I.	9.2	103@5,000	124@2,500	17.4	7.0	5.3	3.10	M5	F	14	N.A.
ROLLS-ROYCE Silver Spirit	120.5	207.8	74.3	58.5	4,980	36.0	41.0	60.5	60.5	V-8	6.8/412	F.I.	8.0	N.A.	N.A.	28.5	16.9	10.0	3.07	A3	R	15	37.4
Silver Spur	124.0	211.8	74.0	58.5	5,040	36.0	41.0	60.5	60.5	V-8	6.8/412	F.I.	8.0	N.A.	N.A.	28.5	16.9	10.0	3.07	A3	R	15	38.3
Mulsanne	120.5	209.2	74.3	58.5	4,980	36.0	41.0	60.5	60.5	V-8	6.8/412	F.I.	8.0	N.A.	N.A.	28.5	16.9	10.0	3.07	A3	R	15	37.4
Corniche Convertible	119.5	207.5	72.7	59.8	5,305	36.0	37.0	57.5	57.5	V-8	6.8/412	F.I.	8.0	N.A.	N.A.	26.0	17.3	8.8	3.07	A3	R	15	37.0
SAAB 900 Sedan	99.1	184.5	66.5	56.1	2,744	36.8	41.7	56.3	56.7	4	2.0/121.1	F.I.	9.2	110@5,250	119@3,500	16.6	10.5	4.0	3.67	M5	F	15	33.8
Saab 9000	105.2	181.9	69.4	56.1	2,967	38.6	41.5	59.9	58.7	4	2.0/121.1	F.I.	10.1	125@5,500	123@3,000	18.0	9.5	4.7	4.45	M5	F	15	35.8
OPTIONAL ENGINES: 900S, 16-valve										4	2.0/121.1	F.I.	10.1	125@5,500	123@3,000								
900, 9000 Turbos										4	2.0/121.1	F.I.	9.0	160@5,500	188@3,000								
900 Turbo										4	2.0/121.1	F.I.	9.0	165@5,500	195@3,000								
SUBARU Justy	90.0	139.2	60.4	54.7	1,655	37.0	41.5	52.4	50.8	3	1.2/73.0	2V	9.1	66@5,200	70@3,600	9.2	4.5	3.0	4.44	M5	F	12	29.6
Hatchback Std	93.7	156.9	63.4	53.7	2,050	38.2	39.3	52.8	53.0	HO4	1.6/97.0	2V	9.0	69@4,800	86@2,800	13.2	5.6	3.7	3.89	M4	F	13	30.8
Brat GL	96.3	174.2	64.4	56.9	2,205	38.2	39.3	53.0	53.7	HO4	1.8/109.0	2V	8.7	73@4,400	94@2,400	14.5	5.8	4.2	3.89	M4	4	13	31.4
Sedan GL	97.2	174.6	65.4	52.5	2,135	37.6	41.7	56.1	56.1	HO4	1.8/109.0	F.I.	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	M5	F	13	34.8
Sedan 4wd turbo	97.0	174.6	65.4	54.3	2,410	37.6	41.7	55.5	56.1	HO4	1.8/109.0	2V	9.0	84@5,200	101@3,200	15.9	5.8	4.2	3.70	M5	4	13	34.8
DL 3-dr	97.2	174.6	65.4	51.8	2,240	37.6	42.2	56.1	56.1	HO4	1.8/109.0	F.I.	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	M5	F	13	34.8
Hatchback 4wd GL	97.0	174.6	65.4	53.4	2,460	37.6	42.2	55.5	56.1	HO4	1.8/109.0	2V	9.0	84@5,200	101@3,200	15.9	5.8	4.2	3.70	M5	4	13	34.8
Wagon GL-10	97.2	177.8	65.4	53.0	2,435	37.6	41.7	55.9	56.1	HO4	1.8/109.0	F.I.	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	M5	F	13	34.8
Wagon 4wd DL	97.0	176.8	65.4	54.9	2,560	37.6	41.7	55.5	56.1	HO4	1.8/109.0	2V	9.0	84@5,200	101@3,200	15.9	5.8	4.2	3.70	M5	4	13	34.8
XT DL	97.1	175.2	66.5	49.4	2,280	37.4	43.3	56.5	56.1	HO4	1.8/109.0	F.I.	9.0	94@5,200	101@2,800	15.9	6.1	4.2	3.90	M5	F	13	35.1
XT GL-10 turbo	97.1	175.2	66.5	52.6	2,630	37.4	43.3	55.9	56.1	HO4	1.8/109.0	F.I.	7.7	110@4,800	134@2,800	15.9	6.1	4.2	3.70	M5	4	13	35.1
OPTIONAL ENGINES: Hatchback											1.8/109.0	2V	8.7	73@4,400	94@2,400								
Sedan, Coupe, Wagon turbos											1.8/109.0	F.I.	7.7	115@5,200	134@2,800								
XT Turbo											1.8/109.0	F.I.	7.7	110@4,800	134@2,800								
TOYOTA Tercel 3-dr. Liftback	93.7	157.3	64.0	52.6	1,905	38.5	41.5	54.3	54.1	4	1.5/91.5	2V	9.3	76@6,000	85@3,800	13.2	5.6	3.9	3.25	M4	F	13	31.8
Tercel 5-dr. Liftback	93.7	157.3	64.0	52.8	2,060	38.5	41.5	54.3	54.1	4	1.5/91.5	2V	9.3	76@6,000	85@3,800	13.2	5.6	3.9	3.25	M4	F	13	31.8
Tercel Wagon	95.7	169.7	63.6	56.1	2,145	40.2	42.4	54.5	53.9	4	1.5/91.5	2V	9.0	76@6,000	85@3,800	13.2	5.6	3.9	3.58	M5	F	13	31.8
Tercel Wagon 4wd	95.7	169.7	63.6	57.1	2,270	40.2	42.4	54.3	53.1	4	1.5/91.5	2V	9.0	76@6,000	85@3,800	13.2	5.6	3.9	4.10	M6	4	13	31.8
Corolla 4-dr.	95.7	166.3	64.4	53.0	2,145	38.3	42.4	56.1	55.3	4	1.6/97.6	2V	9.0	74@5,200	86@2,800	13.2	6.3	3.2	3.72	M5	F	13	30.8
Corolla 5-dr. Liftback	95.7	166.3	64.4	52.8	2,163	37.8	42.4	56.1	55.3	4	1.6/97.6	2V	9.0	74@5,200	85@2,800	13.2	6.3	3.2	3.72	M5	F	13	30.8
Corolla GT-S Sport Liftback	94.5	168.7	64.8	52.6	2,346	37.6	43.5	53.3	53.0	4	1.6/97.6	F.I.	9.4	112@6,600	97@4,800	13.2	5.9	3.5	4.30	M5	R	14	31.2
Corolla SR5 Sport Coupe	94.5	168.7	64.0	52.6	2,224	37.6	43.5	53.3	53.0	4	1.6/97.6	2V	9.0	74@5,200	86@2,800	13.2	6.3	3.2	4.30	M5	F	13	31.2
Corolla FX-16	95.7	160.0	65.2	52.8	2,141	38.3	42.4	56.5	55.7	4	1.6/97.6	F.I.	9.4	108@6,600	96@4,800	13.2	6.3	3.2	4.31	M5	F	13	30.8
Camry 4-dr. Sedan	102.4	182.1	67.3	54.1	2,734	37.9	42.9	58.1	56.9	4	2.0/122.0	F.I.	9.3	115@5,200	125@4,400	15.9	N.A.	N.A.	3.74	M5	F	14	34.8
Camry Wagon	102.4	183.1	67.3	54.5	2,855	37.9	42.9	58.1	56.9	4	2.0/122.0	F.I.	9.3	115@5,200	125@4,400	15.9	N.A.	N.A.	3.74	M5	F	14	34.8
MR2	91.3	155.5	65.6	48.6	2,350	37.4	43.0	56.7	56.7	4	1.6/96.8	F.I.	9.4	112@6,600	97@4,800	10.8	11.5	3.3	4.31	M5	R	14	31.5
Celica ST Coupe	99.4	173.6	67.3	49.8	2,455	37.8	44.4	57.5	56.1	4	2.0/122.0	F.I.	9.2	115@5,200	124@4,400	15.9	7.4	4.5	3.74	M5	R	13	35.4
Celica GT Liftback	99.4	171.9	67.3	49.8	2,555	37.8	44.4	57.9	56.5	4	2.0/122.0	F.I.	9.2	115@5,200	124@4,400	15.9	7.4	4.5	3.74	M5	R	13	35.4
Celica GT-S Liftback	99.4	171.9	67.3	49.8	2,685	37.8	44.4	57.9	56.5	4	2.0/122.0	F.I.	9.2	135@6,000	125@4,800	15.9	7.4	4.5	4.18	M5	R	14	35.4
Cressida Sedan	104.5	187.8	66.5	54.1	3,296	38.8	42.0	56.7	57.3	6	2.8/170.8	F.I.	9.2	156@5,200	165@4,500	18.5	9.2	6.0	3.72	M5	R	15	34.8
Cressida Wagon	104.5	189.6	66.5	55.7	3,240	38.8	42.0	56.1	54.5	6	2.8/170.8	F.I.	9.2	156@5,200	165@4,500	18.5	9.2	6.0	3.72	M5	R	14	34.8
Supra	102.2	181.9	68.7	51.6	3,450	37.5	43.6	58.5	58.5	6	3.0/183.1	F.I.	9.2	200@6,000	185@4,800	18.5	8.5	5.0	4.30	M5	R	16	35.4
OPTIONAL ENGINES: Supra turbo										6	3.0/183.1	F.I.	8.4	230@5,600	246@4,000								
VOLKSWAGEN Fox	92.8	163.4	63.0	53.7	2,150	N.A.	N.A.	53.1	53.9	4	1.8/109.0	F.I.	9.0	81@5,500	93@3,250	12.4	6.4	3.7	3.89	M4	F	13	31.5
Cabriolet	94.5	151.3	64.2	55.6	2,254	N.A.	N.A.	54.7	53.5	4	1.8/109.0	F.I.	8.5	90@5,500	100@3,000	13.8	5.1	4.3	3.67	M5	F	13	31.2
Jetta	97.3	171.7	65.5	55.7	2,275	N.A.	N.A.	56.3	56.0	4	1.8/109.0	F.I.	9.0	85@5,250	96@3,000	14.5	7.3	4.3	3.67	M5	F	13	34.4
Jetta GLI	97.3	171.7	66.1	55.7	2,386	N.A.	N.A.	56.3	56.0	4	1.8/109.0	F.I.	10.0	102@5,250	110@3,250	14.5	7.3	4.3	3.67	M5	F	14	34.4
Quantum	100.4	179.5	67.2	54.8	2,646	N.A.	N.A.	55.7	56.0	5	2.2/136	F.I.	8.5	110@5,500	122@2,400	15.8	8.5	4.0	4.90	M5	F	13	31.5
Quantum Syncro Wagon	100.4	180.7	66.7	58.0	2,976	N.A.	N.A.	55.6	56.5	5	2.2/136	F.I.	8.5	115@5,500	126@3,000	18.5	8.5	4.0	4.11	M5	F	14	31.5
Scirocco	94.5	165.7	64.0	51.4	2,196	N.A.	N.A.	54.7	53.5	4	1.8/109.0	F.I.	8.5	90@5,500	100@3,000	13.8	5.1	4.3	3.67	M5	F	13	31.2
OPTIONAL ENGINES: Scirocco 16-valve										4	1.8/109.0	F.I.	10.0	123@5,800	120@4,250								
VOLVO 240 DL Sedan	104.3	189.9	67.7	56.6	2,950	37.9	40.1	56.3	53.5	4	2.3/141	F.I.	9.8	114@5,400	136@2,750	15.8	10.5	4.7	3.31	M5	R	14	32.2
240 DL Wagon	104.3	189.9	67.7	57.1	3,034	37.9	40.1	56.3	53.5	4	2.3/141	F.I.	9.8	114@5,400	136@2,750	15.8	10.0	4.7	3.31	M5	R	14	32.2
740 GLE	109.1	188.4	69.3	55.5	2,942	38.6	41.0	57.9	57.5	4	2.3/141	F.I.	9.8	114@5,400	136@2,750	15.8	10.5	4.7	3.31	M5	R	14	32.2
740 GT (turbo) Wagon	109.1	188.4	69.3	56.5	3,131	38.6	41.0	57.9	57.5	4	2.3/141	F.I.	8.7	160@5,300	187@2,900	15.8	10.5	4.7	3.73	A4	R	15	32.2
760 GLE Sedan	109.1	188.4	69.3	55.5	2,979	38.2	40.5	57.5	57.5	V-6	2.8/173	F.I.	9.5	145@5,100	173@3,750	15.8	10.5	6.8	3.54	A4	R	15	32.2
760 GLE (turbo) Wagon	109.1	188.4	69.3	55.5	3,038	38.2	40.5	57.5	57.5	4	2.3/141	F.I.	8.3	160@5,300	187@2,900	15.8	10.5	4.7	3.73	A4	R	15	32.2
780 Coupe	109.1	188.8	69.3	55.1	3,329	37.2	41.0	57.9	57.5	V-6	2.8/173	F.I.	9.5	145@5,100	173@3,750	15.8	10.5	6.8	3.54	A4	R	15	32.2
YUGO GV 3-dr. hatchback	84.7	139.0	60.7	54.7	1,832	35.8	N.A.	51.5	51.7	4	1.1/67.1	2V	9.2	54@5,000	52@4,600	8.5	6.9	4.7	3.76	M4	F	13	31.1
GVX 3-dr. hatchback	84.7	139.0	60.7	54.7	1,880	35.8	N.A.	51.5	51.7	4	1.3/79.3	2V	9.1	64@5,800	68@4,000	8.5	6.9	4.7	3.76	M5	F	13	31.1

NOTE: This table has been compiled from information supplied by factories, distributors, and other direct sources. Every reasonable precaution has been taken to insure accuracy, but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

List of Abbreviations:
N.A.—Information not available.
F.I.—Fuel injection.
H.O.—Horizontally Opposed.

PRODUCTS/SPECIFICATIONS

EPA mileage ratings for 1987 models

Est. City	Est. Hwy.	Car Line	CID & Fuel System	Trans.
		TWO SEATERS		
52	57	Honda Civic Coupe HF	91-3bc	M5
45	50	Honda Civic Coupe HF	91-c3bc	M5
31	36	Honda Civic Coupe	91-3bc	M5
30	33	Honda Civic Coupe	91-FI	M5
29	34	Honda Civic Coupe	91-3bc	L4
26	32	Toyota MR2	97-FI	M5
25	34	Ford EXP	113-FI	M5
25	35	Pontiac Fiero	151-FI	M5
25	32	Toyota MR2	97-FI	L4
25	32	Subaru XT-DL	109-•FI	M5
24	32	Pontiac Fiero	151-FI	L3
23	28	Bertone X1/9	91-FI	M5
18	24	Pontiac Fiero	173-FI	L3
18	28	Pontiac Fiero	173-FI	M5
18	26	Nissan 300ZX	181-FI	L4
18	26	Nissan 300ZX	181-FI	M5
18	24	Nissan 300ZX Turbo	181-FI	M5
17	23	Mazda RX-7	80-FI	L4
17	23	Mazda RX-7 Turbo	80-FI	M5
17	24	Mazda RX-7	80-FI	M5
17	24	Nissan 300ZX Turbo	181-FI	L4
16	25	Chevrolet Corvette	350-FI	L4
16	25	Chevrolet Corvette Convertible	350-FI	L4
13	15	Maserati Biturbo Spyder	152-2bc	A3
13	17	Jaguar XJ-SC	326-FI	A3
13	18	Ferrari 328 GTS-GTB	194-FI	M5
10	15	Ferrari Testarossa	302-FI	M5
		MINICOMPACTS		
54	58	Chevrolet Sprint ER	61-2bc	M5
37	43	Suzuki Forsa Turbo	61-FI	M5
37	43	Pontiac Turbo Firefly	61-FI	M5
37	43	Chevrolet Turbo Sprint	61-FI	M5
27	34	Toyota Celica Convertible	122-FI	M5
26	34	Toyota Celica Convertible	122-FI	L4
24	29	Volkswagen Cabriolet	109-FI	M5
23	25	Volkswagen Cabriolet	109-FI	A3
21	27	Porsche 944	151-FI	M5
19	23	Porsche 944	151-FI	A3
18	24	Alfa Romeo GTV	152-FI	M5
13	15	Maserati Biturbo	152-2bc	A3
13	18	Ferrari 3.2 Mondial-Cabriolet	194-FI	M5
		SUBCOMPACTS		
44	49	Pontiac Firefly	61-2bc	M5
44	49	Suzuki Forsa	61-2bc	M5
44	49	Chevrolet Sprint	61-2bc	M5
38	40	Pontiac Firefly	61-2bc	A3
38	40	Suzuki Forsa	61-2bc	A3
38	40	Chevrolet Sprint	61-2bc	A3
38	41	Subaru Justy	73-2bc	M5
37	43	Honda Civic	82-c3bc	M4
37	41	Isuzu I-Mark	90-2bc	M5
37	41	Chevrolet Spectrum	90-2bc	M5
37	41	Pontiac Sunburst	90-2bc	M5
36	41	Toyota Tercel	85-1bc	M4
34	38	Dodge Colt	90-2bc	M4
34	38	Plymouth Colt	90-2bc	M4
34	38	Mitsubishi Mirage	90-2bc	M4
33	39	Isuzu I-Mark	90-2bc	M5
32	37	Dodge Colt	90-2bc	M5
32	37	Plymouth Colt	90-2bc	M5
32	37	Mitsubishi Mirage	90-2bc	M5
32	40	Nissan Sentra Honeybee	96-2bc	M5
31	33	Isuzu I-Mark	90-2bc	A3
31	33	Chevrolet Spectrum	90-2bc	A3
31	36	Subaru Hatchback	97-2bc	M4
31	33	Pontiac Sunburst	90-2bc	A3
31	38	Toyota Tercel	89-1bc	M5
30	35	Honda Civic	91-3bc	M5
30	33	Honda Civic	91-FI	M5
29	33	Dodge Colt	90-2bc	L3
29	33	Plymouth Colt	90-2bc	L3
29	33	Mitsubishi Mirage	90-2bc	L3
29	34	Toyota Tercel	89-1bc	L3
28	35	Renault Alliance Convertible	105-•FI	M5
28	34	Chevrolet Chevette CS	98-2bc	M4
28	33	Toyota Corolla Sport	97-2bc	M5
28	32	Subaru Hatchback	97-2bc	M5
28	34	Pontiac 1000	98-2bc	M4
27	34	Toyota Celica	122-FI	M5
27	35	Chevrolet Chevette CS	98-2bc	M5
27	32	Honda Civic	91-3bc	L4
27	33	Toyota Corolla Sport	97-2bc	L4
27	30	Nissan Sentra Honeybee	98-2bc	L3
27	35	Pontiac 1000	98-2bc	M5
26	34	Toyota Celica	122-FI	L4
26	32	Toyota Corolla Sport	97-FI	M5
26	30	Volkswagen Fox	109-FI	M4
26	30	Acura Integra	97-FI	M5
26	32	Nissan Pulsar NX	98-FI	M5
26	35	Nissan Sentra Coupe	98-FI	M5
26	36	Pontiac Sunbird Convertible	122-FI	M5
25	33	Chevrolet Cavalier Convertible	121-FI	M4
25	34	Chevrolet Cavalier Convertible	121-FI	M5
25	35	Dodge Charger	135-2bc	M5
25	30	Chevrolet Chevette CS	98-2bc	L3
25	31	Dodge Colt turbo	96-FI	M5
25	31	Plymouth Colt turbo	98-FI	M5
25	32	Mitsubishi Cordia	122-2bc	M5
25	29	Toyota Corolla FX16	97-FI	M5
25	31	Acura Integra	97-FI	L4
25	31	Mitsubishi Mirage turbo	98-FI	M5
25	31	Ford Mustang	140-FI	M5
25	31	Honda Prelude	119-FI	M5
25	31	Honda Prelude	112-2bc	M5
25	31	Nissan Sentra Coupe	98-FI	L3
25	32	Subaru XT	109-•FI	M5
25	35	Plymouth Turismo	135-2bc	M5
25	30	Pontiac 1000	98-2bc	L3
25	30	Audi 4000	109-FI	M5
24	31	Chevrolet Cavalier Convertible	121-FI	L3
24	26	Dodge Colt turbo	98-FI	L3
24	26	Plymouth Colt turbo	98-FI	L3
24	26	Mitsubishi Cordia	122-2bc	L3
24	30	Toyota Corolla FX16	97-FI	L4
24	28	Renault GTA Convertible	120-•FI	M5
24	26	Mitsubishi Mirage turbo	98-FI	L3
24	30	Honda Prelude	119-FI	L4
24	28	Nissan Pulsar NX	98-FI	L3
24	29	Volkswagen Scirocco	109-FI	M5
24	27	Subaru XT	109-•FI	L3
24	30	Pontiac Sunbird Convertible	122-FI	L3
24	26	Mitsubishi Tredia	122-2bc	L3
24	31	Mitsubishi Tredia	122-2bc	M5
23	28	Renault Alliance Convertible	105-•FI	A3
23	29	Toyota Celica	122-FI	L4
23	29	Toyota Celica	122-FI	M5
23	27	Dodge Charger	135-2bc	A3
23	30	Honda Prelude	112-2bc	L4
23	30	Nissan Pulsar NX	98-FI	M5
23	25	Volkswagen Scirocco	109-FI	A3
23	28	Volkswagen Scirocco 16V	109-FI	M5
23	25	Subaru Hatchback	109-2bc	L3
23	28	Subaru XT turbo	109-FI	M5
23	27	Subaru XT 4wd turbo	109-FI	M5
23	27	Plymouth Turismo	135-2bc	A3
23	27	Audi 4000	109-FI	L3
22	29	Mitsubishi Cordia turbo	110-FI	M5
22	27	Dodge Daytona	152-FI	L3
22	32	Dodge Daytona	152-FI	M5
22	27	Chrysler LeBaron Convertible	152-FI	L3
22	32	Chrysler LeBaron Convertible	152-FI	M5
22	24	Subaru XT turbo	109-FI	L3
22	24	Subaru XT 4wd turbo	109-FI	A3
22	29	Mitsubishi Tredia turbo	110-FI	M5
22	26	Nissan 200SX	120-FI	M5
21	26	Saab 900 Convertible turbo	121-FI	M5
21	31	Pontiac Sunbird Conv. turbo	121-FI	M5

Est. City	Est. Hwy.	Car Line	CID & Fuel System	Trans.
21	27	Nissan 200SX	120-FI	L4
21	28	BMW 3-Series	164-•FI	M5
20	26	Chevrolet Cavalier Convertible	173-FI	L3
20	29	Dodge Daytona turbo	135-FI	M5
20	29	Dodge Lancer Convertible turbo	135-FI	M5
20	29	Chrysler Laser-Daytona turbo	135-FI	M5
20	29	Chrysler LeBaron Convertible turbo	135-FI	M5
20	27	Pontiac Sunbird Conv. turbo	121-FI	L3
20	27	BMW 3-Series	164-•FI	L4
19	27	Chevrolet Camaro	173-FI	L4
19	27	Chevrolet Cavalier Convertible	173-FI	M5
19	28	Dodge Charger turbo	135-FI	M5
19	25	Audi Coupe GT	136-FI	M5
19	24	Dodge Daytona turbo	135-FI	A3
19	27	Pontiac Firebird/Trans Am/ Formula	173-FI	L4
19	24	Dodge Lancer Convertible turbo	135-FI	A3
19	24	Chrysler Laser-Daytona turbo	135-FI	A3
19	24	Chrysler LeBaron Convertible turbo	135-FI	A3
19	26	Nissan 200SX	181-FI	M5
18	24	Chrysler Conquest turbo	156-FI	L4
18	23	Chrysler Conquest turbo	156-FI	M5
18	23	Audi Coupe GT	136-FI	A3
18	24	Alfa Romeo Milano	152-FI	M5
18	27	Ford Mustang	302-FI	L4
18	21	Saab 900 Convertible turbo	121-FI	A3
18	24	Mitsubishi Starion turbo	156-FI	L4
18	23	Mitsubishi Starion turbo	156-FI	M5
18	23	Toyota Supra turbo	180-FI	L4
18	23	Toyota Supra	180-FI	L4
18	23	Toyota Supra turbo	180-FI	M5
18	26	Nissan 200SX	181-FI	L4
18	26	Nissan 300ZX 2 + 2	181-FI	L4
18	26	Nissan 300ZX 2 + 2	181-FI	M5
18	22	Audi 4000CS Quattro	136-FI	M5
17	25	Chevrolet Camaro	305-FI	L4
17	24	Chevrolet Camaro	305-4bc	L4
17	26	Chevrolet Camaro	173-FI	M5
17	25	Pontiac Firebird/Trans Am/ Formula	305-FI	L4
17	24	Pontiac Firebird/Trans Am/ Formula	305-4bc	L4
17	26	Pontiac Firebird/Trans Am/ Formula	173-FI	M5
17	23	Toyota Supra	180-FI	M5
16	25	Chevrolet Camaro	350-FI	L4
16	25	Chevrolet Camaro	305-4bc	M5
16	26	Chevrolet Camaro	305-FI	M5
16	25	Pontiac Firebird/Trans Am/ Formula	350-FI	L4
16	25	Pontiac Firebird/Trans Am/ Formula	305-4bc	M5
16	26	Pontiac Firebird/Trans Am/ Formula	305-FI	M5
16	21	BMW 6-Series	209-•FI	L4
16	22	BMW 6-Series	209-•FI	M5
15	19	Jaguar XJ-6	258-FI	A3
13	15	Maserati Biturbo 425	152-2bc	A3
13	17	Jaguar XJ-S	326-FI	A3
8	10	Rolls-Royce Bentley Continental	412-FI	A3
8	10	Rolls-Royce Corniche II	412-FI	A3
		COMPACTS		
37	45	Ford Escort diesel	122-FI	M5
37	45	Lincoln-Mercury Lynx diesel	122-FI	M5
36	41	Volkswagen Golf diesel	97-FI	M5
34	41	Renault Alliance	85-•FI	M4
33	40	Renault Alliance	85-•FI	M5
32	38	Renault Alliance	85-•FI	M4
30	37	Toyota Corolla	97-2bc	M5
29	37	Renault Alliance	105-•FI	M5
29	37	Chevrolet Nova	97-2bc	M5
28	32	Toyota Corolla	97-2bc	L3
28	35	Toyota Corolla	97-2bc	L4
28	34	Mazda 323	98-FI	M5
28	32	Chevrolet Nova	97-2bc	L3
28	35	Nissan Sentra	98-2bc	M5
27	34	Honda Accord	119-2bc	M5
27	31	Renault Alliance	85-•FI	A3
27	34	Toyota Camry	122-FI	M5
26	36	Oldsmobile Firenza	122-FI	M5
26	34	Volkswagen Golf	109-FI	M5
26	30	Renault GTA	120-•FI	M5
26	31	Volkswagen GTI	109-FI	M5
26	34	Volkswagen Jetta	109-FI	M5
26	31	Volkswagen Jetta GLI	109-FI	M5
26	30	Ford Laser	98-FI	M4
26	30	Mazda 323	98-FI	M4
26	32	Mazda 626	122-FI	M5
26	30	Nissan Sentra	98-2bc	L3
26	36	Buick Skyhawk	122-FI	M5
26	36	Pontiac Sunbird	122-FI	M5
25	31	Honda Accord	119-FI	M5
25	34	Chevrolet Beretta	121-FI	M5
25	31	Toyota Camry	122-FI	L4
25	33	Chevrolet Cavalier	121-FI	M4
25	34	Chevrolet Cavalier	121-FI	M5
25	34	Cadillac Cimarron	121-FI	M5
25	34	Chevrolet Corsica	121-FI	M5
25	34	Ford Escort	113-FI	M5
25	31	Oldsmobile Firenza	122-FI	L3
25	33	Oldsmobile Firenza	121-FI	M4
25	34	Plymouth Horizon	135-2bc	M5
25	30	Ford Laser	98-FI	A3
25	34	Lincoln-Mercury Lynx	113-FI	M5
25	30	Mazda 323	98-FI	A3
25	34	Dodge Omni	135-2bc	M5
25	33	Dodge Shadow	135-c/FI	M5
25	32	Dodge Shadow	135-FI	M5
25	31	Buick Skyhawk	122-FI	L3
25	33	Buick Skyhawk	121-FI	M4
25	31	Subaru Sedan 3-door	109-•FI	M5
25	31	Pontiac Sunbird	122-FI	L3
25	33	Pontiac Sunbird	121-FI	M4
25	32	Plymouth Sundance	135-FI	M5
25	33	Plymouth Sundance	135-c/FI	M5
24	34	Ford Tempo	140-FI	M5
24	31	Lincoln-Mercury Topaz	140-FI	M5
24	30	Honda Accord	119-2bc	L4
24	30	Honda Accord	119-FI	L4
24	29	Renault Alliance	105-•FI	A3
24	30	Chevrolet Beretta	121-FI	L3
24	31	Chevrolet Cavalier	121-FI	L3
24	31	Chevrolet Corsica	121-FI	L3
24	31	Oldsmobile Firenza	121-FI	L3
24	27	Volkswagen Jetta GLI	109-FI	A3
24	31	Buick Skyhawk	121-FI	L3
24	26	Subaru Sedan 3-door	109-•FI	A3
24	27	Peugeot 505 turbodiesel	152-FI	L4
23	30	Cadillac Cimarron	121-FI	L3
23	27	Volkswagen Golf	109-FI	A3
23	28	Volkswagen GTI 16V	109-FI	M5
23	27	Plymouth Horizon	135-2bc	A3
23	27	Volkswagen Jetta	109-FI	A3
23	29	Volkswagen Jetta GLI 16V	109-FI	M5
23	29	Mazda 626	122-FI	L4
23	27	Dodge Omni	135-2bc	A3
23	27	Dodge Shadow	135-c/FI	A3
23	28	Dodge Shadow	135-FI	A3
23	28	Nissan Stanza	120-FI	M5
23	28	Subaru sedan 3-door turbo	109-FI	M5
23	28	Plymouth Sundance	135-FI	A3
23	27	Plymouth Sundance	135-c/FI	A3
22	32	Oldsmobile Calais	151-FI	L3
22	33	Oldsmobile Calais	151-FI	M5
22	32	Pontiac Grand Am	151-FI	L3
22	32	Pontiac Grand Am	151-FI	M5
22	28	Mazda 626 Turbo	122-FI	M5

Est. City	Est. Hwy.	Car Line	CID & Fuel System	Trans.
22	32	Buick Somerset-Skylark	151-FI	L3
22	32	Buick Somerset-Skylark	151-FI	M5
22	25	Subaru sedan 3-door turbo	109-FI	A3
22	25	Subaru sedan 3-door 4wd turbo	109-FI	M5
22	27	Ford Tempo	140-FI	A3
22	30	Ford Tempo	140-FI	M5
22	27	Lincoln-Mercury Topaz	140-FI	A3
22	30	Lincoln-Mercury Topaz	140-FI	M5
22	28	Volvo 240DL-240GL	141-FI	M5
21	31	Pontiac Grand Am	121-FI	M5
21	27	Saab 900 Turbo	121-FI	M5
21	26	Saab 900	121-FI	M5
21	27	Buick Skyhawk Turbo	121-FI	L3
21	31	Buick Skyhawk Turbo	121-FI	M5
21	27	Nissan Stanza	120-FI	L4
21	27	Subaru sedan 3-door 4wd turbo	109-FI	A3
21	27	Pontiac Sunbird Turbo	121-FI	L3
21	31	Pontiac Sunbird Turbo	121-FI	M5
21	24	Volvo 240DL-240GL	141-FI	A4
20	26	Chevrolet Beretta	173-FI	L3
20	26	Chevrolet Cavalier	173-FI	L3
20	26	Cadillac Cimarron	173-FI	L3
20	26	Chevrolet Corsica	173-FI	L3
20	26	Oldsmobile Firenza	173-FI	L3
20	27	Mitsubishi Galant	143-FI	L4
20	27	Mitsubishi Galant	143-FI	M5
20	27	Pontiac Grand Am	121-FI	L3
20	29	Dodge Shadow Turbo	135-FI	M5
20	29	Plymouth Sundance Turbo	135-FI	M5
20	23	Ford Tempo all-wheel-drive	140-FI	A3
20	23	Lincoln-Mercury Topaz all-wheel-drive	140-FI	A3
20	24	BMW 5-Series	164-•FI	M5
20	23	Peugeot 505 sedan	132-•FI	L4
20	23	Peugeot 505 sedan	120-•FI	L4
19	27	Chevrolet Beretta	173-FI	M5
19	27	Oldsmobile Calais	181-FI	L3
19	27	Chevrolet Cavalier	173-FI	M5
19	27	Cadillac Cimarron	173-FI	M5
19	27	Chevrolet Corsica	173-FI	M5
19	24	Toyota Cressida	168-FI	M5
19	27	Oldsmobile Firenza	173-FI	M5
19	27	Pontiac Grand Am	181-FI	L3
19	28	Dodge Omni Turbo	135-FI	M5
19	24	Volkswagen Quantum	136-FI	M5
19	21	Saab 900	121-FI	A3
19	22	Saab 900	121-FI	A3
19	22	Saab 900 Turbo	121-FI	A3
19	24	Dodge Shadow Turbo	135-FI	A3
19	23	Dodge Shadow Turbo	135-c/FI	A3
19	28	Dodge Shadow Turbo	135-c/FI	M5
19	27	Buick Somerset-Skylark	181-FI	L3
19	24	Plymouth Sundance Turbo	135-FI	A3
19	23	Plymouth Sundance Turbo	135-c/FI	A3
19	28	Plymouth Sundance Turbo	135-•FI	M5
19	22	Peugeot 505 turbo sedan	131-•FI	L4
19	24	Peugeot 505 turbo sedan	131-•FI	M5
18	27	Lincoln-Mercury Cougar	302-FI	L4
18	24	Toyota Cressida	168-FI	L4
18	24	Nissan Maxima	181-FI	L4
18	26	Nissan Maxima	181-FI	M5
18	22	Volkswagen Quantum	136-FI	A3
18	27	Ford Thunderbird	302-FI	L4
18	24	BMW 5-Series	164-•FI	L4
18	22	Peugeot 505 sedan	174-•FI	L4
18	23	Peugeot 505 sedan	132-•FI	M5
18	22	Peugeot 505 sedan	174-•FI	M5
16	21	BMW 5-Series	209-•FI	L4
16	22	BMW 5-Series	209-•FI	M5
15	19	BMW 7-Series	209-•FI	L4
15	20	BMW 7-Series	209-•FI	M5
8	10	Rolls-Royce Camargue	412-FI	A3
		MID-SIZE CARS		
25	32	Dodge Aries	135-FI	M5
25	32	Plymouth Reliant	135-FI	M5
24	32	Dodge Lancer	135-FI	M5
24	32	Chrysler LeBaron GTS	135-FI	M5
23	28	Dodge Aries	135-FI	A3
23	26	Plymouth Caravelle	135-FI	A3
23	26	Dodge Lancer	135-FI	A3
23	26	Chrysler LeBaron	135-FI	A3
23	26	Chrysler LeBaron GTS	135-FI	A3
23	28	Plymouth Reliant	135-FI	A3
23	26	Dodge 600	135-FI	A3
23	28	Volvo 740-760	141-FI	M4
22	27	Dodge Aries	152-FI	L3
22	27	Plymouth Caravelle	152-FI	L3
22	32	Chevrolet Celebrity	151-FI	L3
22	32	Buick Century	151-FI	L3
22	32	Oldsmobile Cutlass Ciera	151-FI	L3
22	27	Dodge Lancer	152-FI	L3
22	32	Dodge Lancer	152-FI	M5
22	27	Chrysler LeBaron	152-FI	L3
22	32	Chrysler LeBaron	152-FI	M5
22	27	Chrysler LeBaron GTS	152-FI	L3
22	32	Chrysler LeBaron GTS	152-FI	M5
22	27	Chrysler New Yorker	152-FI	L3
22	27	Plymouth Reliant	152-FI	L3
22	27	Dodge 600	152-FI	L3
22	32	Pontiac 6000	151-FI	L3
22	25	Volvo 740-760	141-FI	L4
20	26	Chevrolet Celebrity	173-FI	L3
20	28	Chevrolet Celebrity	173-FI	L4
20	26	Buick Century	173-FI	L3
20	28	Buick Century	173-FI	L4
20	26	Oldsmobile Cutlass Ciera	173-FI	L3
20	28	Oldsmobile Cutlass Ciera	173-FI	L4
20	29	Dodge Lancer Turbo	135-FI	M5
20	29	Chrysler LeBaron GTS Turbo	135-FI	M5
20	26	Pontiac 6000	173-FI	L3
20	25	Volvo 740-760 Turbo	141-FI	M4
19	24	Plymouth Caravelle Turbo	135-FI	A3
19	27	Chevrolet Celebrity	173-FI	M5
19	24	Oldsmobile Cutlass Supreme	231-2bc	L3
19	24	Pontiac Grand Prix	231-2bc	L3
19	24	Pontiac Grand Prix	262-FI	L3
19	26	Pontiac Grand Prix	262-FI	L4
19	24	Dodge Lancer Turbo	135-FI	A3
19	24	Chrysler LeBaron Turbo	135-FI	A3
19	24	Chrysler LeBaron GTS Turbo	135-FI	A3
19	24	Chevrolet Monte Carlo	262-FI	L3
19	26	Chevrolet Monte Carlo	262-FI	L4
19	24	Chrysler New Yorker Turbo	135-FI	A3
19	24	Buick Regal	231-2bc	L3
19	26	Audi 5000S	136-FI	M5
19	24	Dodge 600 Turbo	135-FI	A3
19	27	Pontiac 6000	173-FI	L4
19	27	Pontiac 6000	173-FI	M5
19	22	Volvo 740-760 Turbo	141-FI	A4
18	25	Oldsmobile Cutlass Supreme	307-4bc	L4
18	25	Buick Regal	307-4bc	L4
18	22	Audi 5000CS Turbo	136-FI	A3
18	26	Audi 5000CS Turbo	136-FI	M5
18	22	Audi 5000S	136-FI	A3
17	27	Lincoln-Mercury Continental	302-FI	L4
17	23	Oldsmobile Cutlass Supreme	307-4bc	L3
17	25	Cadillac Eldorado	249-FI	L4
17	24	Pontiac Grand Prix	305-4bc	L4
17	27	Lincoln-Mercury Mark VII	302-FI	L4
17	24	Chevrolet Monte Carlo	305-4bc	L4
17	23	Buick Regal	307-4bc	L3
17	25	Buick Regal Turbo	231-FI	L4
17	25	Cadillac Seville	249-FI	L4
17	25	Audi 5000CS Quattro Turbo	136-FI	M5
16	21	Dodge Diplomat	318-2bc	L3
16	21	Plymouth Gran Fury	318-2bc	L3
16	21	Chrysler Newport-Fifth Avenue	318-2bc	L3

Est. City	Est. Hwy.	Car Line	CID & Fuel System	Trans.
9	10	Rolls-Royce Bentley Eight/ Bentley Mulsanne	412-FI	A3
9	10	Rolls-Royce Silver Spirt/ Silver Spur	412-FI	A3
		LARGE CARS		
21	28	Saab 9000 Turbo	121-FI	M5
21	26	Saab 9000	121-FI	M5
19	26	Saab 9000 Turbo	121-FI	A4
18	25	Cadillac Brougham	307-4bc	L4
18	23	Chevrolet Caprice	262-FI	L3
18	25	Chevrolet Caprice	307-4bc	L4
18	27	Chevrolet Caprice	262-FI	L4
18	23	Saab 9000	121-FI	A4
17	25	Cadillac Fleetwood-Deville	249-FI	L4
17	27	Lincoln-Mercury Grand Marquis	302-FI	L4
17	24	Cadillac Limousine	249-FI	L4
17	27	Ford LTD Crown Victoria	302-FI	L4
17	27	Lincoln-Mercury Town Car	302-FI	L4
16	24	Chevrolet Caprice	305-4bc	L4
8	10	Rolls-Royce Silver Spur Limo	412-FI	A3
		SMALL STATION WAGONS		
30	35	Honda Civic Wagon	91-3bc	M5
29	31	Toyota Tercel Wagon 2wd	89-2bc	A3
29	36	Toyota Tercel Wagon 2wd	89-2bc	M5
28	32	Honda Civic Wagon	91-3bc	L4
28	33	Mazda 323 Wagon	98-FI	M5
28	35	Nissan Sentra Wagon	98-2bc	M5
27	34	Toyota Camry Wagon	122-FI	M5
26	36	Oldsmobile Firenza Cruiser	122-FI	M5
26	30	Volkswagen Fox GL Wagon	109-FI	M4
26	36	Buick Skyhawk Wagon	122-FI	M5
26	36	Pontiac Sunbird Wagon	122-FI	M5
26	30	Toyota Tercel Wagon 4wd	89-2bc	M5
25	31	Toyota Camry Wagon	122-FI	L4
25	33	Chevrolet Cavalier Wagon	121-FI	M4
25	34	Chevrolet Cavalier Wagon	121-FI	M5
25	29	Honda Civic Wagon 4wd	91-3bc	M5
25	31	Oldsmobile Firenza Cruiser	122-FI	L3
25	30	Oldsmobile Firenza Cruiser	121-FI	M4
25	30	Mazda 323 Wagon	98-FI	A3
25	29	Nissan Sentra Wagon	98-2bc	L3
25	33	Buick Skyhawk Wagon	121-FI	M4
25	30	Subaru Wagon	109-•FI	M5
25	31	Pontiac Sunbird Wagon	122-FI	L3
25	33	Pontiac Sunbird Wagon	121-FI	M4
25	31	Chevrolet Cavalier Wagon	121-FI	L3
24	29	Dodge Colt Vista	122-2bc	M5
24	29	Plymouth Colt Vista	122-2bc	M5
24	31	Oldsmobile Firenza Cruiser	121-FI	L3
24	28	Nissan Sentra Wagon 4wd	98-FI	M5
24	31	Buick Skyhawk Wagon	121-FI	L3
24	30	Buick Skyhawk Wagon	122-FI	L3
24	30	Subaru Wagon	109-•FI	L3
24	25	Toyota Tercel Wagon 4wd	89-2bc	A3
24	26	Dodge Colt Vista	122-2bc	L3
24	29	Plymouth Colt Vista	122-2bc	L3
24	24	Mitsubishi Space Wagon	122-2bc	L3
24	28	Subaru Wagon Turbo	109-FI	M5
22	24	Subaru Wagon Turbo	109-FI	A3
22	25	Subaru Wagon 4wd Turbo	109-FI	M5
21	23	Suba

PRODUCTS/SPECIFICATIONS

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Est. City	MPG Hwy	Car Line	CID & Fuel System	Trans.
22	27	Chevrolet S10 Pickup 2wd	151-FI	M4
22	27	GMC S15 Pickup 2wd	151-FI	M4
22	26	Nissan Truck 2wd	146-FI	M5
22	24	Toyota Truck 2wd	144-□2bc	A4
22	25	Toyota Truck 2wd	144-2bc	A4
22	26	Toyota Truck 2wd	144-□2bc	M5
22	25	Toyota Truck 2wd	144-2bc	M5
21	26	Mazda B2000/B2200/B2600	122-2bc	M4
21	23	Isuzu P'Up 2wd	138-□2bc	A3
21	23	Isuzu P'Up 2wd	138-2bc	A3
21	26	Isuzu P'Up 2wd	138-□2bc	M5
21	24	Dodge Ram 50 2wd	156-2bc	A4
21	26	Ford Ranger Pickup 2wd	140-FI	L4
21	27	Chevrolet S10 Pickup 2wd	151-FI	L4
21	27	GMC S15 Pickup 2wd	151-FI	L4
21	24	Mitsubishi Truck 2wd	156-2bc	A4
21	24	Toyota Truck 2wd Turbo	144-FI	M5
20	26	Dodge Ram 50 2wd	156-2bc	M5
20	26	Mitsubishi Truck 2wd	156-2bc	M5
20	25	Nissan Truck 2wd	146-FI	L4
19	24	Isuzu P'Up 4wd	138-2bc	M5
19	23	Isuzu P'Up 4wd	138-□2bc	M5
19	24	Ford Ranger Pickup 2wd	179-FI	M5
18	24	Ford Ranger Pickup 2wd	179-FI	L4
18	22	Ford Ranger Pickup 4wd	179-FI	M5
18	23	Chevrolet S10 Pickup 2wd	173-FI	M4
18	24	Chevrolet S10 Pickup 2wd	173-FI	M5
18	23	GMC S15 Pickup 2wd	173-FI	M4
18	24	GMC S15 Pickup 2wd	173-FI	M5
17	22	Ford Ranger Pickup 4wd	179-FI	L4
17	19	Chevrolet S10 Pickup 2wd	173-FI	L3
17	24	Chevrolet S10 Pickup 2wd	173-FI	L4
17	19	GMC S15 Pickup 2wd	173-FI	L3
17	24	GMC S15 Pickup 2wd	173-FI	L4
17	20	Nissan Truck 2wd	181-FI	L4
16	23	Nissan Truck 2wd	181-FI	M5
		STANDARD PICKUP TRUCKS		
28	30	Jeep Comanche 2wd turbodiesel	126-FI	M5
23	25	Toyota 1Ton Truck 2wd	144-FI	A4
23	28	Toyota 1Ton Truck 2wd	144-FI	M5
22	25	Jeep Comanche 2wd	150-•FI	M4
22	27	Dodge Dakota 2wd	135-2bc	M5
22	25	Chevrolet T10 Pickup 4wd	151-FI	M4
22	25	GMC T15 Pickup 4wd	151-FI	M4
21	25	Jeep Comanche 4wd	150-•FI	M4
21	22	Toyota Truck 4wd	144-FI	L4
21	24	Toyota Truck 4wd	144-FI	M5
21	26	Chevrolet T10 Pickup 4wd	151-FI	M5
21	26	GMC T15 Pickup 4wd	151-FI	M5
20	24	Jeep Comanche 2wd	150-•FI	M5
20	23	Jeep Comanche 4wd	150-•FI	M5
20	24	Chevrolet R10 2wd diesel	379-□FI	M4
20	24	Chevrolet R10 2wd diesel	379-□FI	M4C
20	24	GMC R15 2wd diesel	379-□FI	M4
20	24	GMC R15 2wd diesel	379-□FI	M4C
19	24	Jeep Comanche 2wd	150-•FI	L4
19	23	Jeep Comanche 4wd	150-•FI	L4
19	20	Dodge Power Ram 50 4wd	156-2bc	A4
19	23	Dodge Power Ram 50 4wd	156-2bc	M5
19	23	Chevrolet R10 2wd diesel	379-□FI	L4
19	23	GMC R15 2wd diesel	379-□FI	L4
19	20	Mitsubishi Truck 4wd	156-2bc	A4
19	23	Mitsubishi Truck 4wd	156-2bc	M5
19	21	Toyota Truck 4wd	144-2bc	M5
19	22	Toyota Truck 4wd	144-□2bc	M5
19	23	Chevrolet T10 Pickup 4wd	151-FI	L4
19	23	GMC T15 Pickup 4wd	151-FI	L4
18	22	GMC Caballero Pickup 2wd	262-FI	L3
18	23	GMC Caballero Pickup 2wd	2-FI	L4
18	23	Jeep Comanche 2wd	42-•FI	M5
18	21	Dodge Dakota 2wd	239-2bc	L3
18	24	Dodge Dakota 2wd	239-2bc	M5
18	22	Chevrolet El Camino Pickup 2wd	262-FI	L3
18	23	Chevrolet El Camino Pickup 2wd	262-FI	L4
18	20	Chevrolet R20 2wd diesel	379-□FI	M4C
18	20	GMC R25 Pickup 2wd diesel	379-□FI	M4C
18	21	Toyota Truck 4wd	144-FI	M5
18	20	Chevrolet V10 4wd diesel	379-□FI	M4
18	19	Chevrolet V10 4wd diesel	379-□FI	M4C
18	20	GMC V15 Pickup 4wd diesel	379-□FI	M4
18	19	GMC V15 Pickup 4wd diesel	379-□FI	M4C
18	19	Chevrolet V20 4wd diesel	379-□FI	M4C
18	19	GMC V25 Pickup 4wd diesel	379-□FI	M4C
17	22	Jeep Comanche 4wd	242-•FI	M5
17	19	Dodge Dakota 4wd	239-2bc	L3
17	19	Chevrolet R10 Pickup 2wd	262-FI	A3
17	21	Chevrolet R10 Pickup 2wd	262-FI	L4
17	20	Chevrolet R10 Pickup 2wd	262-FI	M3/M4C
17	20	Chevrolet R10 Pickup 2wd	262-FI	M4
17	19	GMC R15 Pickup 2wd	262-FI	A3
17	21	GMC R15 Pickup 2wd	262-FI	L4
17	20	GMC R15 Pickup 2wd	262-FI	M3/M4C
17	20	GMC R15 Pickup 2wd	262-FI	M4
17	22	Chevrolet R20 2wd diesel	379-□FI	L4
17	22	GMC R25 Pickup 2wd diesel	379-□FI	L4
17	20	Nissan Truck 4wd	146-FI	M5
17	21	Chevrolet T10 Pickup 4wd	173-FI	M4
17	23	Chevrolet T10 Pickup 4wd	173-FI	M5
17	21	GMC T15 Pickup 4wd	173-FI	M4
17	23	GMC T15 Pickup 4wd	173-FI	M5
16	22	GMC Caballero Pickup 2wd	305-4bc	L4
16	21	Jeep Comanche 2wd	242-•FI	L4
16	21	Jeep Comanche 4wd	242-•FI	L4
16	21	Dodge Dakota 4wd	239-2bc	M5
17	17	Dodge D100/D150 Pickup 2wd	225-□1bc	L3
16	20	Dodge D100/D150 Pickup 2wd	225-□1bc	M4
16	18	Dodge D100/D150 Pickup 2wd	225-□1bc	M4C
16	17	Dodge D250 Pickup 2wd	225-□1bc	L3
16	18	Dodge D250 Pickup 2wd	225-□1bc	M4C
16	22	Chevrolet El Camino Pickup 2wd	305-4bc	L4
16	19	Jeep J-10 STD Pickup Truck 4wd	258-2bc	A3
16	22	Chevrolet T10 Pickup 4wd	173-FI	L4
16	22	GMC T15 Pickup 4wd	173-FI	L4
16	20	Chevrolet V10 4wd diesel	379-□FI	L4
16	18	Chevrolet V10 Pickup 4wd	262-FI	M4C
16	20	GMC V15 Pickup 4wd diesel	379-□FI	L4
16	18	GMC V15 Pickup 4wd	262-FI	M4C
16	20	Chevrolet V20 4wd diesel	379-□FI	L4
16	20	GMC V25 Pickup 4wd diesel	379-□FI	L4
15	17	GMC Caballero Pickup 2wd	305-4bc	L3
15	17	Chevrolet El Camino Pickup 2wd	305-4bc	L3
15	20	Chevrolet R10 Pickup 2wd	305-FI	M4
15	18	Chevrolet R10 Pickup 2wd	305-FI	M4C
15	20	GMC R15 Pickup 2wd	305-FI	M4
15	18	GMC R15 Pickup 2wd	305-FI	M4C
15	16	Chevrolet R20 Pickup 2wd	262-FI	A3
15	19	Chevrolet R20 Pickup 2wd	262-FI	L4
15	18	Chevrolet R20 Pickup 2wd	305-FI	M4C
15	17	Chevrolet R20 Pickup 2wd	262-FI	M4C
15	16	GMC R25 Pickup 2wd	262-FI	A3
15	19	GMC R25 Pickup 2wd	262-FI	L4
15	18	GMC R25 Pickup 2wd	305-FI	M4C
15	17	GMC R25 Pickup 2wd	262-FI	M4C
15	16	Nissan Truck 4wd	181-FI	L3
15	18	Nissan Truck 4wd	181-FI	M5
15	18	Chevrolet V10 Pickup 4wd	262-FI	L4
15	18	Chevrolet V10 Pickup 4wd	262-FI	M4
15	18	GMC V15 Pickup 4wd	262-FI	L4
15	18	GMC V15 Pickup 4wd	262-FI	M4
14	16	Dodge D100/D150 Pickup 2wd	225-1bc	A3
14	17	Dodge D100/D150 Pickup 2wd	225-1bc	M4
14	18	Ford F150 Pickup 2wd	302-FI	L4
14	18	Ford F250 Pickup 2wd	302-FI	L4
14	19	Jeep J-10 Std Pickup 4wd	258-2bc	M4
14	16	Chevrolet R10 Pickup 2wd	305-FI	A3
14	18	Chevrolet R10 Pickup 2wd	350-FI	L4
14	18	Chevrolet R10 Pickup 2wd	305-FI	L4
14	16	Chevrolet R10 Pickup 2wd	350-FI	M4C
14	16	GMC R15 Pickup 2wd	305-FI	A3
14	18	GMC R15 Pickup 2wd	350-FI	L4
14	18	GMC R15 Pickup 2wd	305-FI	L4
14	16	GMC R15 Pickup 2wd	350-FI	M4C
14	17	Chevrolet R20 Pickup 2wd	350-FI	L4

Est. City	MPG Hwy	Car Line	CID & Fuel System	Trans.
14	18	Chevrolet R20 Pickup 2wd	305-FI	L4
14	16	Chevrolet R20 Pickup 2wd	350-FI	M4C
14	16	GMC R25 Pickup 2wd	305-FI	A3
14	17	GMC R25 Pickup 2wd	350-FI	L4
14	18	GMC R25 Pickup 2wd	305-FI	L4
14	16	GMC R25 Pickup 2wd	350-FI	M4C
14	17	Chevrolet V10 Pickup 4wd	305-FI	L4
14	17	Chevrolet V10 Pickup 4wd	305-FI	M4
14	16	Chevrolet V10 Pickup 4wd	305-FI	M4C
14	17	GMC V15 Pickup 4wd	305-FI	L4
14	16	GMC V15 Pickup 4wd	305-FI	M4
14	16	GMC V15 Pickup 4wd	305-FI	M4C
13	15	Dodge D100/D150 Pickup 2wd	318-2bc	A3
13	16	Dodge D100/D150 Pickup 2wd	318-□2bc	A3
13	17	Dodge D100/D150 Pickup 2wd	318-□2bc	L3
13	17	Dodge D100/D150 Pickup 2wd	318-2bc	M4
13	15	Dodge D250 Pickup 2wd	318-2bc	A3
13	15	Dodge D250 Pickup 2wd	318-□2bc	A3
13	15	Chevrolet V10 Pickup 4wd	305-FI	A3
13	16	Chevrolet V10 Pickup 4wd	350-FI	L4
13	15	Chevrolet V10 Pickup 4wd	350-FI	M4C
13	15	GMC V15 Pickup 4wd	305-FI	A3
13	16	GMC V15 Pickup 4wd	350-FI	L4
13	15	GMC V15 Pickup 4wd	350-FI	M4C
13	16	Chevrolet V20 Pickup 4wd	350-FI	L4
12	18	Dodge D100/D150 Pickup 2wd	318-□2bc	M4
12	15	Dodge D100/D150 Pickup 2wd	318-2bc	M4C
12	13	Dodge D100/D150 Pickup 2wd	360-□4bc	M4C
12	13	Dodge D250 Pickup 2wd	360-□4bc	M4C
12	15	Dodge D250 Pickup 2wd	318-2bc	M4C
12	13	Ford F150 Pickup 2wd	351-FI	A3
12	13	Ford F250 Pickup 2wd	351-FI	A3
12	15	Chevrolet V20 Pickup 4wd	350-FI	M4C
12	15	GMC V25 Pickup 4wd	350-FI	M4C
12	14	Dodge W100/W150 Pickup 4wd	318-□2bc	A3
12	14	Dodge W100/W150 Pickup 4wd	318-2bc	A3
12	15	Dodge W100/W150 Pickup 4wd	318-2bc	M4C
11	13	Dodge D100/D150 Pickup 2wd	360-□4bc	A3
11	15	Dodge D100/D150 Pickup 2wd	318-□2bc	M4C
11	13	Dodge D250 Pickup 2wd	360-□4bc	A3
11	15	Dodge D250 Pickup 2wd	318-□2bc	M4C
11	13	Ford F150 Pickup 4wd	351-4bc	A3
11	12	Ford F250 Pickup 4wd	351-4bc	A3
11	13	Jeep J10 Std Pickup 4wd	360-□2bc	A3
11	13	Jeep J20 Std Pickup 4wd	360-□2bc	A3
11	13	Dodge W100/W150 Pickup 4wd	360-□4bc	M4C
11	14	Dodge W100/W150 Pickup 4wd	318-□2bc	M4C
11	13	Dodge W250 Pickup 4wd	318-□2bc	A3
11	14	Dodge W250 Pickup 4wd	318-□2bc	M4C
11	13	Dodge W250 Pickup 4wd	360-□4bc	M4C
10	12	Dodge W100/W150 Pickup 4wd	360-□4bc	A3
9	11	Dodge W250 Pickup 4wd	360-□4bc	A3
		VANS		
26	28	Ford Aerostar Van	140-FI	M5
22	26	Ford Aerostar Wagon	140-FI	M5
22	24	Toyota Cargo Van 2wd	137-FI	M5
22	24	Toyota Van 2wd	137-FI	M5
21	26	Ford Aerostar Van	140-FI	L4
21	25	Chevrolet Astro 2wd (Cargo)	151-FI	M4
21	27	Chevrolet Astro 2wd (Cargo)	151-FI	M5
21	23	Toyota Cargo Van 2wd	137-FI	L4
21	22	Toyota Cargo Van 4wd	137-FI	M5
21	25	GMC Safari 2wd (Cargo)	151-FI	M4
21	27	GMC Safari 2wd (Cargo)	151-FI	M5
21	23	Toyota Van 2wd	137-FI	L4
20	21	Toyota Cargo Van 4wd	137-FI	L4
20	24	Chevrolet G10-20 2wd diesel	379-□FI	M4
20	24	GMC G15-25 Vandura 2wd diesel	379-□FI	M4
20	21	Toyota Van 4wd	137-FI	L4
20	22	Toyota Van 4wd	137-FI	M5
20	24	Ford Aerostar Van	183-FI	M5
19	24	Chevrolet Astro 2wd (Cargo)	151-FI	L4
19	23	Chevrolet G10/20 2wd diesel	379-□FI	L4
19	23	GMC G15/25 Vandura 2wd diesel	379-□FI	L4
19	24	GMC Safari 2wd (Cargo)	151-FI	L4
18	24	Ford Aerostar Van	183-FI	L4
18	23	Chevrolet G10/20 Sportvan 2wd diesel	379-□FI	L4
18	21	Chevrolet G10/20 Sportvan 2wd diesel	379-□FI	M4
18	23	GMC G15/25 Rally 2wd diesel	379-□FI	L4
18	21	GMC G15/25 Rally 2wd diesel	379-□FI	M4
18	21	Nissan Van (Cargo)	146-FI	L4
18	21	Nissan Van (Cargo)	146-FI	M5
18	21	Nissan Van (Passenger)	146-FI	L4
18	22	Nissan Van (Passenger)	146-FI	M5
17	22	Ford Aerostar Wagon	183-FI	L4
17	22	Ford Aerostar Wagon	183-FI	M5
17	22	Chevrolet Astro 2wd (Cargo)	262-FI	L4
17	22	Chevrolet Astro 2wd (Cargo)	262-FI	M5
17	22	Chevrolet Astro 2wd (Passenger)	262-FI	L4
17	23	Chevrolet Astro 2wd (Passenger)	262-FI	M5
17	20	Chevrolet G10/20 Van 2wd	262-FI	M3
17	20	GMC G15/25 Vandura 2wd	262-FI	M3
17	22	GMC Safari 2wd (Cargo)	262-FI	L4
17	24	GMC Safari 2wd (Cargo)	262-FI	M5
17	22	GMC Safari 2wd (Passenger)	262-FI	L4
17	23	GMC Safari 2wd (Passenger)	262-FI	M5
16	17	Dodge B150/B250 Van 2wd	225-□1bc	L3
16	20	Dodge B150/B250 Van 2wd	225-□1bc	M4
16	18	Chevrolet G10/20 Van 2wd	262-FI	A3
16	20	Chevrolet G10/20 Van 2wd	262-FI	L4
16	18	GMC G15/25 Vandura 2wd	262-FI	A3
16	20	GMC G15/25 Vandura 2wd	262-FI	L4
16	18	Volkswagen Vanagon 2wd	129-FI	M4
15	17	Dodge B150/B250 Wagon 2wd	225-□1bc	L3
15	19	Dodge B150/B250 Wagon 2wd	225-□1bc	M4
15	18	Chevrolet G10/20 Sportvan 2wd	262-FI	L4
15	17	Chevrolet G10/20 Sportvan 2wd	262-FI	M3
15	18	Chevrolet G10/20 Van 2wd	305-FI	M3
15	19	Chevrolet G10/20 Van 2wd	305-FI	M4
15	18	GMC G15/25 Rally 2wd	262-FI	L4
15	17	GMC G15/25 Rally 2wd	262-FI	M3
15	18	GMC G15/25 Vandura 2wd	305-FI	M3
15	19	GMC G15/25 Vandura 2wd	305-FI	M4
15	19	Chevrolet G30 Van 2wd	262-FI	L4
15	19	GMC G35 Vandura 2wd	262-FI	L4
15	15	Volkswagen Vanagon Syncro 4wd	129-FI	C5
14	16	Dodge B150/B250 Van 2wd	225-1bc	A3
14	17	Dodge B150/B250 Van 2wd	225-1bc	M4
14	18	Ford E150 Econoline 2wd	302-FI	L4
14	18	Chevrolet G10/20 Van 2wd	305-FI	A3
14	18	Chevrolet G10/20 Van 2wd	350-FI	L4
14	16	GMC G15-25 Vandura 2wd	305-FI	A3
14	18	GMC G15/25 Vandura 2wd	350-FI	L4
14	18	GMC G15/25 Vandura 2wd	305-FI	L4
14	16	Volkswagen Vanagon 2wd	129-FI	A3
13	15	Dodge B150/B250 Van 2wd	318-2bc	A3
13	15	Dodge B150/B250 Van 2wd	318-□2bc	A3
13	17	Dodge B150/B250 Van 2wd	318-□2bc	L3
13	17	Dodge B150/B250 Van 2wd	318-2bc	M4
13	15	Dodge B150/B250 Wagon 2wd	225-1bc	A3
13	15	Dodge B150/B250 Wagon 2wd	318-□2bc	L3
13	15	Dodge B150/B250 Wagon 2wd	318-2bc	M5
13	15	Dodge B350 Van 2wd	318-□2bc	A3
12	14	Ford E150 Club Wagon	302-FI	L4
12	14	Ford E250 Econoline 2wd	302-FI	L4
13	17	Chevrolet G10/20 Sportvan 2wd	305-FI	L4
13	16	Chevrolet G10/20 Sportvan 2wd	350-FI	L4
13	16	GMC G15-25 Rally 2wd	350-FI	L4
13	17	GMC G15-25 Rally 2wd	305-FI	L4
13	17	Chevrolet G30 Sportvan 2wd	350-FI	L4
13	17	GMC G35 Rally 2wd	350-FI	L4
12	18	Dodge B150/B250 Van 2wd	318-□2bc	M4
12	14	Dodge B150/B250 Wagon 2wd	318-□2bc	A3
12	14	Dodge B150/B250 Wagon 2wd	318-2bc	A3
12	18	Dodge B150/B250 Wagon 2wd	318-□2bc	M4
12	14	Dodge B350 Wagon 2wd	318-2bc	A3
12	14	Dodge B350 Wagon 2wd	318-□2bc	A3
11	13	Dodge B150/B250 Van 2wd	360-□4bc	A3
11	12	Dodge B350 Van 2wd	360-□4bc	A3
11	13	Ford E150 Club Wagon	351-4bc	A3

IMPORT-CAR MODELS OFFERED IN U.S. (As of March 1, 1987)

	4-Door Models	2-Door Models	Convertibles	Wagons	1987 Totals	(Totals, Mar. 1, 1986)
Acura	3	2	0	0	5	(5)
Alfa Romeo	3	0	3	0	6	(4)
Aston Martin	1	2	2	0	5	(4)
Audi	5	1	0	2	8	(9)
Bentley	1	0	1	0	2	(3)
Bertone	0	1	0	0	1	(1)
BMW	10	6	1	0	17	(10)
Chevrolet Spectrum	1	1	0	0	2	(2)
Chevrolet Sprint	1	3	0	0	4	(2)
Chrysler Conquest*	0	1	0	0	1	(1)
Dodge Colt	3	2	0	0	5	(5)
Dodge Conquest	0	0	0	0	0	(1)
Ferrari	0	4	1	0	5	(5)
Honda**	0	8	0	2	10	(11)
Hyundai	5	3	0	0	8	(5)
Isuzu	2	3	0	0	5	(4)
Jaguar	2	2	1	0	5	(3)
Lamborghini	0	2	0	0	2	(2)
Lotus	0	1	0	0	1	(1)
Maserati	2	2	1	0	5	(5)
Mazda	7	12	0	1	20	(16)
Mercedes-Benz	10	2	0	1	13	(9)
Merkur (Mercury)	0	1	0	0	1	(1)
Mitsubishi	6	9	0	0	15	(12)
Nissan**	5	12	0	3	20	(24)
Peugeot	9	0	0	4	13	(7)
Plymouth Colt	3	2	0	0	5	(5)
Porsche	0	8	1	0	9	(7)
Range Rover	0	0	0	1	1	(0)
Renault**	2	0	0	1	3	(1)
Rolls-Royce	3	0	1	0	4	(5)
Saab	4	3	1	0	8	(7)
Sterling	2	0	0	0	2	(0)
Subaru	8	15	0	9	32	(26)
Toyota**	8	18	1	6	33	(28)
TVR	0	1	1	0	2	(2)
Volkswagen**	4	4	1	3	12	(8)
Volvo	6	0	0	5	11	(13)
Yugo	0	3	0	0	3	(1)
1987 TOTALS	116	134	16	38	304	
TOTALS (March 1, 1986)	101	113	10	31		(255)

NOTES: *—Chrysler Conquest was Plymouth Conquest in 1986.
**—U.S.-built models of Honda, Nissan, Renault, Toyota and Volkswagen are omitted from the import model count. They are included in the U.S. model tabulation on the facing page.

Est. City	MPG Hwy	Car Line	CID & Fuel System	Trans.
11	13	Ford E150 Econoline 2wd	351-4bc	A3
11	13	Ford E250 Econoline 2wd	351-4bc	A3
10	12	Dodge B150/B250 Wagon 2wd	360-□4bc	A3
10	12	Dodge B350 Wagon 2wd	360-□4bc	A3
		SPECIAL PURPOSE VEHICLES		
28	29	Jeep Cherokee/Wagoneer 4wd turbodiesel	126-□FI	M5
27	29	Suzuki Samurai Convertible	81-2bc	M5
27	29	Suzuki Samurai Hardtop	81-2bc	M5
25	25	Isuzu Trooper turbodiesel	137-□FI	M5
24	29	Subaru Hatchback 4wd	109-2bc	M4
24	28	Subaru Hatchback 4wd	109-□2bc	M4
24	29	Subaru Sedan 3-door 4wd	109-FI	M5
24	29	Subaru Wagon 4wd	109-FI	M5
23	24	Subaru Sedan 3-door 4wd	109-FI	A3
22	29	Dodge Caravan/Ram Van 2wd	135-□2bc	M5
22	26	Jeep Cherokee 2wd	150-•FI	M4
22	23	Subaru Sedan 3-door 4wd	109-□2bc	A3
22	28	Subaru Sedan 3-door 4wd	109-□2bc	M5
22	24	Subaru Wagon 4wd	109-FI	A3
22	28	Subaru Wagon 4wd	109-□2bc	M5
22	25	Chevrolet T10 Blazer 4wd	151-FI	M4
22	25	GMC T15 Jimmy 4wd	151-FI	M4
21	28	Dodge Caravan/Ram Van 2wd	135-2bc	M5
21	25	Jeep Cherokee 2wd	150-•FI	M5
21	25	Jeep Cherokee/Wagoneer 4wd	150-•FI	M4
21	23	Subaru Wagon 4wd	109-□2bc	A3
21	25	Chevrolet S10 Blazer 2wd	151-FI	M4
21	27	Chevrolet S10 Blazer 2wd	151-FI	M5
21	25	GMC S15 Jimmy 2wd	151-FI	M4
21	27	GMC S15 Jimmy 2wd	151-FI	M5
21	26	Chevrolet T10 Blazer 4wd	151-FI	M5
21	26	GMC T15 Jimmy 4wd	151-FI	M5
21	28	Plymouth Voyager 2wd	135-2bc	M5
21	28	Plymouth Voyager 2wd	135-□2bc	M5
20	23	Dodge Caravan/Ram Van 2wd	135-□2bc	A3
20	23	Jeep Cherokee/Wagoneer 4wd	150-•FI	M5
20	23	Plymouth Voyager 2wd	135-□2bc	A3
20	23	Toyota 4Runner 4wd	144-FI	M5
19	22	Dodge Caravan/Ram Van 2wd	156-□2bc	A3
19	22	Dodge Caravan/Ram Van 2wd	152-FI	A3
19	21	Dodge Caravan/Ram Van 2wd	135-2bc	A3
19	27	Dodge Caravan/Ram Van 2wd	152-FI	M5
19	24	Jeep Cherokee 2wd	150-•FI	L4
19	23	Jeep Cherokee/Wagoneer 4wd	150-•FI	L4
19	25	Dodge Colt Vista 4wd	122-2bc	M5
19	25	Plymouth Colt Vista 4wd	122-2bc	M5
19	23	Nissan Stanza Wagon 4wd	120-FI	M5
19	24	Chevrolet S10 Blazer 2wd	151-FI	L4
19	19	Chevrolet S10 Cab Chassis 2wd	151-FI	M4
19	19	GMC S15 Cab Chassis 2wd	151-FI	M4
19	24	GMC S15 Jimmy 2wd	151-FI	L4
19	23	Chevrolet T10 Blazer 4wd	151-FI	L4
19	23	GMC T15 Jimmy 4wd	151-FI	L4
19	22	Plymouth Voyager 2wd	156-□2bc	A3
19	22	Plymouth Voyager 2wd	152-FI	A3
19	27	Plymouth Voyager 2wd	152-FI	M5
19	22	Toyota 4Runner 4wd	144-FI	L4
18	22	Ford Bronco II 4wd	179-FI	M5
18	23	Jeep Cherokee 2wd	242-•FI	M5
18	23	Jeep Cherokee/Wagoneer 4wd	242-•FI	M5
18	23	Chevrolet R10 Suburban 2wd diesel	379-□FI	L4
18	20	Jeep Wrangler 4wd	150-•FI	M5
17	23	Ford Bronco II 4wd	173-FI	L4
17	22	Ford Bronco II 4wd	179-FI	L4
17	21	AMC Eagle 4wd	258-2bc	M5
17	18	Mitsubishi Montero	156-2bc	A4
17	20	Mitsubishi Montero	156-2bc	M5
17	18	Dodge Raider	156-2bc	A4
17	20	Dodge Raider	156-2bc	M5
17	23	Chevrolet S10 Blazer 2wd	173-FI	L4
17	22	Chevrolet S10 Blazer 2wd	173-FI	M4
17	24	Chevrolet S10 Blazer 2wd	173-FI	M5
17	23	GMC S15 Jimmy 2wd	173-FI	L4
17	24	GMC S15 Jimmy 2wd	173-FI	M4
17	24	GMC S15 Jimmy 2wd	173-FI	M5
17	21	Jeep Wrangler 4wd	258-2bc	M5
16	19	Toyota 4Runner 4wd Turbo	144-FI	L4
16	16	Toyota Cab-Chassis 2wd	144-FI	M4
16	21	Jeep Cherokee 2wd	242-•FI	L4
16	21	Jeep Cherokee/Wagoneer 4wd	242-•FI	L4
16	19	AMC Eagle 4wd	258-2bc	A3
16	19	Nissan Pathfinder 4wd	146-FI	M5
16	19	Ch

PRODUCTS/SPECIFICATIONS

1987 U.S. MODELS BY MAKE, BODY STYLE

	4-Door Models	2-Door Models*	Convert-ibles	4-Door Wagons	1987 Totals	(Final 1986 Totals)
AMERICAN MOTORS/RENAULT**	6	8	3	2	19	(17)
AMC Eagle	1	0	0	2	3	(3)
Renault Alliance	5	8	3	0	16	(8)
Renault Encore	0	0	0	0	0	(6)
CHRYSLER MOTORS	22	14	1	3	40	(54)
Chrysler Fifth Avenue	1	0	0	0	1	(1)
Laser	0	0	0	0	0	(3)
LeBaron	1	0	0	1	2	(6)
LeBaron GTS	2	0	0	0	2	(2)
LeBaron J	0	2	1	0	3	(0)
Limousine	0	0	0	0	0	(1)
New Yorker	1	0	0	0	1	(1)
Dodge Diplomat	2	0	0	0	2	(2)
Aries	2	2	0	1	5	(8)
Charger	0	2	0	0	2	(3)
Daytona	0	3	0	0	3	(2)
Dodge 600	2	0	0	0	2	(5)
Lancer	2	0	0	0	2	(2)
Omni	1	0	0	0	1	(3)
Shadow	1	1	0	0	2	(0)
Plymouth Gran Fury	1	0	0	0	1	(1)
Caravelle	2	0	0	0	2	(2)
Horizon	1	0	0	0	1	(2)
Reliant	2	2	0	1	5	(8)
Sundance	1	1	0	0	2	(0)
Turismo	0	1	0	0	1	(2)
FORD MOTOR CO	24	29	2	14	69	(80)
Ford LTD Crown Victoria	2	2	0	4	8	(8)
Escort	1	3	0	1	5	(3)
Escort EXP	0	2	0	0	2	(2)
LTD	0	0	0	0	0	(3)
Mustang	0	3	2	0	5	(6)
Taurus	4	0	0	4	8	(8)
Tempo	4	4	0	0	8	(4)
Thunderbird	0	4	0	0	4	(3)
Lincoln	3	0	0	0	3	(3)
Continental	2	0	0	0	2	(2)
Mark VII	0	3	0	0	3	(3)
Mercury Grand Marquis	2	1	0	2	5	(5)
Capri	0	0	0	0	0	(2)
Cougar	0	2	0	0	2	(3)
Lynx	1	3	0	1	5	(8)
Marquis	0	0	0	0	0	(4)
Sable	2	0	0	2	4	(4)
Topaz	3	2	0	0	5	(4)
GENERAL MOTORS	57	65	7	22	151	(159)
Buick LeSabre	3	2	0	1	6	(5)
Electra	3	1	0	1	5	(6)
Century	2	2	0	2	6	(7)
Regal	0	2	0	0	2	(4)
Riviera	0	1	0	0	1	(2)
Skyhawk	2	3	0	2	7	(10)
Somerset/Skylark	2	2	0	0	4	(5)
Cadillac DeVille-Fleetwood	3	1	0	0	4	(4)
Allante	0	0	1	0	1	(0)
Brougham	1	0	0	0	1	(1)
Cimarron	1	0	0	0	1	(1)
Eldorado	0	1	0	0	1	(1)
Limousine	2	0	0	0	2	(2)
Seville	1	0	0	0	1	(1)
Chevrolet Caprice	4	1	0	2	7	(5)
Camaro	0	2	2	0	4	(3)
Cavalier	3	6	1	3	13	(13)
Celebrity	1	1	0	2	4	(4)
Chevette	1	1	0	0	2	(2)
Corsica/Beretta	1	1	0	0	2	(0)
Corvette	0	1	1	0	2	(2)
Monte Carlo	0	3	0	0	3	(3)
Nova	2	0	0	0	2	(2)
Oldsmobile Delta 88	2	2	0	1	5	(5)
Oldsmobile 98	3	1	0	0	4	(4)
Calais	2	2	0	0	4	(4)
Cutlass Ciera	2	2	0	2	6	(7)
Cutlass Supreme	2	3	0	0	5	(5)
Firenza	2	4	0	1	7	(7)
Toronado	0	2	0	0	2	(1)
Pontiac Bonneville	2	0	0	1	3	(3)
Fiero	0	4	0	0	4	(4)
Firebird	0	2	0	0	2	(3)
Grand Am	3	3	0	0	6	(6)
Grand Prix	0	3	0	0	3	(4)
Parisienne	0	0	0	0	0	(3)
Pontiac 1000	1	1	0	0	2	(2)
Pontiac 6000	4	1	0	3	8	(9)
Sunbird	2	4	2	1	9	(9)
HONDA**	4	2	0	0	6	(5)
Accord	3	2	0	0	5	(5)
Civic	1	0	0	0	1	(0)
NISSAN**	3	5	0	2	10	(3)
Sentra	3	5	0	2	10	(3)
TOYOTA**	0	3	0	0	3	(0)
Corolla FX	0	3	0	0	3	(0)
VOLKSWAGEN**	3	3	0	0	6	(3)
Golf	2	2	0	0	4	(2)
GTI	0	1	0	0	1	(1)
Jetta	1	0	0	0	1	(0)
1987 TOTALS	119	129	13	43	304	
1986 TOTALS (end of model year)	119	144	13	45		(321)

NOTES: *—Two-door models include hatchbacks, which some makers list as three-door models.
**—Totals for Renault, Honda, Nissan, Toyota and Volkswagen include only U.S.-built models.

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1987 U.S. MODELS BY MARKET CLASS, BODY STYLE

	4-Door Models	2-Door Models*	Convert-ibles	4-Door Wagons	1987 Totals	(Final 1986 Totals)
SUBCOMPACT**	21	41	3	4	69	(68)
Accord*	0	0	0	0	0	(5)
Alliance	5	8	3	0	16	(8)
Charger	0	2	0	0	2	(3)
Chevette	1	1	0	0	2	(2)
Civic	1	0	0	0	1	(0)
Corolla FX	0	3	0	0	3	(0)
Daytona	0	3	0	0	3	(2)
Encore	0	0	0	0	0	(6)
Escort	1	3	0	1	5	(8)
Escort EXP	0	2	0	0	2	(2)
Fiero	0	4	0	0	4	(4)
Golf	2	2	0	0	4	(2)
GTI	0	1	0	0	1	(1)
Horizon	1	0	0	0	1	(2)
Laser	0	0	0	0	0	(3)
Lynx	1	3	0	1	5	(8)
Nova	2	0	0	0	2	(2)
Omni	1	0	0	0	1	(3)
Pontiac 1000	1	1	0	0	2	(2)
Sentra	3	5	0	2	10	(3)
Shadow	1	1	0	0	2	(0)
Sundance	1	1	0	0	2	(0)
Turismo	0	1	0	0	1	(2)
COMPACT**	27	36	7	12	82	(87)
Accord*	3	2	0	0	5	(0)
Aries	2	2	0	1	5	(8)
Camaro	0	2	2	0	4	(3)
Capri	0	0	0	0	0	(2)
Cavalier	3	6	1	3	13	(13)
Cimarron	1	0	0	0	1	(1)
Eagle	1	0	0	2	3	(3)
Firebird	0	2	0	0	2	(3)
Firenza	2	4	0	1	7	(7)
Jetta	1	0	0	0	1	(0)
LeBaron	1	0	0	1	2	(6)
Mustang	0	3	2	0	5	(6)
Reliant	2	2	0	1	5	(8)
Skyhawk	2	3	0	2	7	(10)
Sunbird	2	4	2	1	9	(9)
Tempo	4	4	0	0	8	(4)
Topaz	3	2	0	0	5	(4)
INTERMEDIATE	34	33	1	15	83	(98)
Bonneville**	0	0	0	0	0	(3)
Calais	2	2	0	0	4	(4)
Caravelle	2	0	0	0	2	(2)
Celebrity	1	1	0	2	4	(4)
Century	2	2	0	2	6	(7)
Corsica/Beretta	1	1	0	0	2	(0)
Cougar	0	2	0	0	2	(3)
Cutlass Ciera	2	2	0	2	6	(7)
Cutlass Supreme	2	3	0	0	5	(5)
Dodge 600	2	0	0	0	2	(5)
Grand Am	3	3	0	0	6	(6)
Grand Prix	0	3	0	0	3	(4)
Lancer	2	0	0	0	2	(2)
LeBaron GTS	2	0	0	0	2	(2)
LeBaron J	0	2	1	0	3	(0)
LTD	0	0	0	0	0	(3)
Marquis	0	0	0	0	0	(4)
Monte Carlo	0	3	0	0	3	(3)
New Yorker	1	0	0	0	1	(1)
Pontiac 6000	4	1	0	3	8	(9)
Regal	0	2	0	0	2	(4)
Sable	2	0	0	2	4	(4)
Somerset/Skylark	2	2	0	0	4	(5)
Taurus	4	0	0	4	8	(8)
Thunderbird	0	4	0	0	4	(3)
STANDARD	18	8	0	11	37	(34)
LeSabre	3	2	0	1	6	(5)
Caprice	4	1	0	2	7	(5)
Diplomat	2	0	0	0	2	(2)
LTD Crown Victoria	2	2	0	4	8	(8)
Grand Marquis	2	1	0	2	5	(5)
Delta 88	2	2	0	1	5	(5)
Gran Fury	1	0	0	0	1	(1)
Bonneville**	2	0	0	1	3	(0)
Parisienne	0	0	0	0	0	(3)
LUXURY	19	11	2	1	33	(34)
Allante	0	0	1	0	1	(0)
Electra	3	1	0	1	5	(6)
Cadillac Brougham	1	0	0	0	1	(1)
DeVille-Fleetwood	3	1	0	0	4	(4)
Cadillac Limousine	2	0	0	0	2	(2)
Fifth Avenue	1	0	0	0	1	(1)
Chrysler Limousine	0	0	0	0	0	(1)
Continental	2	0	0	0	2	(2)
Corvette	0	1	1	0	2	(2)
Eldorado	0	1	0	0	1	(1)
Lincoln	3	0	0	0	3	(3)
Mark VII	0	3	0	0	3	(3)
Oldsmobile 98	3	1	0	0	4	(4)
Riviera	0	1	0	0	1	(2)
Seville	1	0	0	0	1	(1)
Toronado	0	2	0	0	2	(1)
1987 TOTALS	119	129	13	43	304	
1986 TOTALS (end of model year)	119	144	13	45		(321)

NOTES: *—Two-door models include hatchbacks, which some makers list as three-door models.
**—In the Subcompact and Compact listings, totals include only U.S.-built models for Renault Alliance and Encore; Honda Civic and Accord; Nissan Sentra; Toyota Corolla; and Volkswagen Golf, GTI and Jetta.
*Honda Accord was classified as a subcompact for 1986. It is classified as a compact for 1987.
**1986 Bonneville was an intermediate; 1987 Bonneville is a standard-size car.

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PRODUCTS/SPECIFICATIONS

U.S. 1987-model light-duty truck specifications

Make and Model	Dimensions and Capacities										Standard Engine					
AMC/JEEP Wrangler*	93.4	—	152.0	—	66.0	72.0	3,702- 3,828	800-	15.0	15.0	L4	2.5/150	F.I.	117	X	4.2/258, 2V, L6
Comanche Pickup	113.0	119.6	179.2	194.0	71.7	63.7	4,477- 4,719	1,200-2,205	15.0	16.0	L4	2.5/150	F.I.	121	X	4.0/242, F.I., L6; 2.1/126, L4, turbodiesel
*J-10 Pickup	130.7	—	206.0	—	78.9	69.0	6,200- 8,400	2,125-2,410	15.0	18.2	L6	4.2/258	2V	112	X	5.9/360, 2V, V-8
*J-20 Pickup	130.8	—	206.0	—	78.9	70.0	8,400-	3,214-4,014	16.5	18.2	V-8	5.9/360	2V	144	X	
Cherokee/Wagoneer	101.4	—	165.3	—	70.5	63.3	4,393- 4,797	1,150-	15.0	13.5	L4	2.5/150	F.I.	121	X	4.0/242, F.I., L6; 2.1/126, L4, turbodiesel
*Grand Wagoneer	108.7	—	186.4	—	74.8	66.4	5,975- 6,200	1,300-	15.0	20.3	L6	5.9/360	2V	144	X	
NISSAN Pickup	104.3	116.1	174.2	190.0	65.0	62.0	4,400- 5,100	1,000-1,400	14.0	15.9	L4	2.4/146	F.I.	106	X	3.0/180.6, F.I., V-6
King Cab Pickup	116.1	—	190.0	—	65.0	62.4	4,400- 5,100	1,400-	14	15.9	L4	2.4/146	F.I.	106	X	3.0/180.6, F.I., V-6
DODGE Dakota	111.9	123.9	185.9	204.4	68.4	64.2	4,110- 5,930	1,250-2,550	14.0	15.0	L4	2.2/135	2V	93	X	3.9/239, 2V
D150 Pickup	115.0	131.0	190.8	210.8	79.5	69.0	4,950- 6,050	1,424-2,388	15.0	20.0	L6	3.7/225	1V	95	X	5.2/318, 2V, V-8; 5.9/360, 4V, V-8
D250 Pickup	131.0	—	210.8	—	79.5	73.0	6,600- 8,510	2,681-4,331	16.5	20.0	L6	3.7/225	1V	95	X	5.2/318, 2V, V-8; 5.9/360, 4V, V-8
D350 Pickup	131.0	—	210.8	—	79.5	72.0	8,700-	4,448-	16.5	20.0	V-8	5.9/360	4V	185	X	
Caravan/Mini Ram V. Plym. Voyager	112.0	119.0	175.9	190.5	69.6	64.2	4,060- 5,020	1,200-2,010	14.0	35.0	L4	2.2/135	2V	96		2.5/153, F.I., L4; 2.6/156, F.I., L4; 3.0/187, F.I., V-6**
Ramcharger	106.0	—	184.6	—	79.5	69.7	5,600- 6,400	1,470-1,851	15.0	35.0	V-8	5.2/318	2V	145	X	5.9/360, 4V, V-8
B150 Van	109.6	127.6	178.9	196.9	79.8	79.6	5,000- 5,300	1,308-1,714	15.0	22.0	L6	3.7/225	1V	95		
FORD Ranger Pickup	107.9	125.0	175.6	192.7	66.9	64.0	3,820- 4,740	1,220-1,750	14.0	15.2	L4	2.3/140	F.I.	90	X	2.9/179, F.I., V-6; 2.3/140, L-4, turbodiesel
Bronco II	94.0	—	158.3	—	68.0	68.2	3,770- 3,823	600-	15.0	23.0	V-6	2.9/179	F.I.	140	X	
F-150 Pickup	116.8	155.0	194.1	230.3	79.1	69.9	4,800- 6,250	1,245-2,375	15.0	16.5	L6	4.9/300	F.I.	145	X	5.0/302, F.I., V-8; 5.8/351, HO4V, V-8
F-250 Pickup	133.0	155.0	208.3	230.3	79.1	73.0	6,300- 8,800	2,380-4,515	16.0	19.0	L6	4.9/300	F.I.	145	X	5.0/302, F.I., V-8; 5.8/351, HO4V, V-8; 6.9/421, diesel, V-8; 7.5/460, 4V, V-8
F-350 Pickup	133.0	168.4	210.2	245.7	79.1	73.4	8,800-11,000	4,210-6,750	16.0	19.0	V-8	5.8/351	4V	190	X	6.9/421, diesel, V-8; 7.5/460, 4V, V-8
*Bronco	104.7	—	180.5	—	79.1	74.0	5,688- 6,300	1,200-1,350	15.0	32.0	L6	4.9/300	F.I.	145	X	5.0/302, F.I., V-8; 5.8/351, HO4V, V-8
E-150 Van	124.0	138.0	186.6	226.8	79.9	79.2	5,400- 6,500	1,305-2,365	15.0	18.0	L6	4.9/300	F.I.	145		5.0/302, F.I., V-8; 5.8/351, HO4V, V-8
Aerostar	118.9	—	174.9	—	71.7	72.9	4,120- 5,100	1,200-2,040	14.0	17.0	L4	2.3/140	F.I.	88		3.0/182, F.I., V-6
GENERAL MOTORS: CHEVROLET/GMC																
El Camino/Caballero	117.1	—	201.6	—	71.9	53.8	4,568- 4,791	1,250-	14.0	17.4	V-6	4.3/262	F.I.	130		5.0/305, 4V, V-8
S-10/15 Pickup	108.3	122.9	178.2	194.2	64.7	61.3	3,570- 5,284	1,000-1,625	14.0	13.2	L4	2.5/151	F.I.	98	X	2.8/173, F.I., V-6
S-10/15 Blazer/Jimmy (2 and 4wd)	100.5	—	170.3	—	65.4	64.7	3,894- 4,872	1,000-	15.0	13.2	L4	2.5/151	F.I.	98	X	2.8/173, F.I., V-6
R/V-10/1500 Pickup	117.5	131.5	193.5	212.2	79.6	69.2	4,900- 6,100	1,014-2,572	15.0	16.0	V-6	4.3/262	F.I.	155	X	5.0/305, 4V, V-8; 6.2/379, diesel, V-8
R/V-20/2500 Pickup	131.5	164.5	212.2	246.4	79.6	72.2	6,400- 8,600	1,913-4,759	16.0	20.0	V-6	4.3/262	F.I.	155	X	4.8/292, 1V, L6; 5.0/305, 4V, V-8; 5.7/350, 4V, V-8; 6.2/379, diesel, V-8
R/V-30/3500 Pickup	131.5	164.5	212.2	246.4	79.6	73.6	9,000-10,000	3,654-5,736	16.0	20.0	V-8	5.7/350	F.I.	195	X	7.4/454, 4V, V-8; 6.2/379, diesel, V-8
C/K 10/1500 Pickup (1988)	117.5	155.5	194.1	236.9	76.7	70.4	5,200- 6,200	1,128-1,926	15.0	25.0	V-6	4.3/262	F.I.	160	X	5.0/305, F.I., V-8; 350, F.I., V-8
C/K 20/2500 Pickup (1988)	131.5	155.5	212.9	236.9	76.7	73.0	7,200-	2,112-3,267	16.0	25.0	V-6	4.3/262	F.I.	160	X	5.0/305, F.I., V-8; 5.7/350, F.I., V-8; 6.2/379, diesel, V-8
C/K 30/3500 Pickup (1988)	131.5	155.5	212.9	236.9	76.7	75.4	8,600-10,000	3,157-5,197	16.0	25.0	V-8	5.7/350	F.I.	210	X	7.4/454, F.I., V-8; 6.2/379, diesel, V-8
*Blazer/Jimmy (4wd)	106.5	—	184.8	—	79.6	73.8	6,100- 6,250	1,331-1,688	15.0	25.0	V-8	5.0/305	F.I.	170	X	6.2/379, diesel, V-8
R-10/1500 Suburban	129.5	—	219.1	—	79.6	72.0	6,100- 7,300	1,756-2,478	15.0	25.0	V-8	5.0/305	F.I.	170	X	5.7/350, 4V, V-8; 7.4/454, 4V, V-8; 6.2/379, diesel, V-8
G-10/1500 Van	110.0	125.0	178.2	202.2	79.5	79.4	4,900- 6,000	1,101-2,376	15.0	22.0	V-6	4.3/262	F.I.	170		5.0/305, 4V, V-8
Astro/Safari Van (cargo & passenger)	111.0	—	176.8	—	77.0	74.5	4,088- 5,681	1,000-1,700	15.0	17.0	L4	2.5/151	F.I.	98		4.3/262, F.I., V-6

NOTES: All pickup trucks are standard cab versions unless otherwise specified
*—4wd only
**—Will replace 2.6 L-4 at midyear

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Import 1987-model light-duty truck specifications

Make and Model	Dimensions and Capacities										Standard Engine					
DODGE Raider	92.5	—	157.5	—	66.1	72.4	4,225-4,269	1,050-	15	15.9	I-4	2.6/156	2V	109	X	None
Ram 50	105.1	116.1	177.0	193.5	65.2	58.3	4,165-4,895	1,050-2,000	14	13.7	I-4	2.0/122	2V	90	X	2.6/156, 2V, I-4
ISUZU P'up	104.3	117.9	174.4	191.5	63.0	59.3	3,550-4,550	1,035-1,690	14	13.2	I-4	1.9/119	2V	82	X	2.3/137, 2V, I-4; 2.2/136 (turbodiesel), I-4
Trooper	104.3	—	175.2	—	65.0	71.7	4,740-	1,136-1,374	15	21.9	I-4	2.3/137	2V	96	X	2.2/136 (turbodiesel), I-4
MAZDA B2200/2600	108.7	117.5	177.6	198.8	65.7	61.8	4,460-4,850	1,400-1,500	14	14.8	I-4	2.2/133	2V	85	X	B2600: 2.6/156, 2V, I-4, 102 hp
MITSUBISHI Pickup	105.1	116.1	177.0	193.5	65.2	58.3	4,165-4,895	1,050-2,000	14	13.7	I-4	2.0/122	2V	90	X	2.6/156, 2V, I-4
Montero	92.5	—	157.3	—	66.1	72.4	4,310-4,325	1,050-	15	15.9	I-4	2.6/156	2V	109	X	None
Van/Wagon	88.0	—	175.2	—	66.5	71.3	4,795-	1,576-1,951	14	14.2	I-4	2.4/143	EFI	107		None
NISSAN Pickup	104.3	116.1	174.2	190.0	65.0	62.0	4,200-5,100	1,000-2,000	14	15.9	I-4	2.4/146	EFI	106	X	3.0/180.6, EFI, V-6
Pathfinder	104.3	—	171.9	—	66.5	65.7	4,960-	1,150-	15	15.9	I-4	2.4/146	EFI	106	X	3.0/180.6, EFI, V-6
Van	92.5	—	178.0	—	66.5	72.4	4,800-	1,470-	14	17.7	I-4	2.4/146	EFI	106	X	None
RANGE ROVER	100.0	—	175.0	—	71.6	70.8	5,997	1,694	16	21.0	V-8	3.5/215	F.I.	150	X	None
SUZUKI Samurai	79.9	—	135.0	135.4	60.2	65.6	2,932-	805- 838	15	10.6	I-4	1.3/80.8	2V	64	X	None
TOYOTA Pickup	103.0	121.5	174.6	195.5	63.8	60.8	4,400-5,500	1,400-2,655	14	17.2	I-4	2.4/144	EFI	116	X	2.4/144, EFI, turbo
4Runner	103.0	—	174.6	—	66.5	66.1	5,080-	700-	15	17.2	I-4	2.4/144	EFI	116	X	2.4/144, EFI, turbo
Van	88.0	—	175.8	—	66.3	70.3	4,500-5,000	1,495-1,620	14	15.9	I-4	2.2/135	EFI	101	X	None
VOLKSWAGEN Vanagon	96.9	—	179.9	—	72.6	77.2	5,200-	1,578-1,904	14	15.9	H-4	2.1/129	EFI	95	X	None

NOTE: These tables have been compiled from information supplied by factories, distributors and other direct sources. Every reasonable precaution has been taken to insure accuracy, but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

PRICES

RETAIL PRICES, 1987 U.S. MODELS

This table shows the prices of 1987 U.S.-built models as of March 25, 1987. All prices are Manufacturers' Suggested Retail Prices. They do not include destination charges, state and local taxes, optional equipment or any charges that may be passed on to the buyer. In the equipment section, "STD." means standard equipment; "N.A." means the item is not available on the model mentioned. On some models, the standard-equipment radio is a delete option.

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	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Automatic Trans.	Power Steering	Power Brakes	Radio	Air Cond.
AMERICAN MOTORS Eagle 6	$11,485				$12,301	$402	std.	std.	$197*	$843
Eagle Limited 6					13,033	402	std.	std.	197*	843
*—Radio is AM/FM unit.										
BUICK Skyhawk Custom 4	8,559	$8,522			9,249	490	$225	std.	std.	675
Skyhawk Sport 4			$8,965			490	225	std.	std.	675
Skyhawk Limited 4	9,503	9,445			9,841	490	225	std.	std.	675
Skylark Custom 4	9,915					490	std.	std.	std.	675
Skylark Limited 4	11,003					490	std.	std.	std.	675
Somerset Custom 4		9,957				490	std.	std.	std.	675
Somerset Limited 4		11,003				490	std.	std.	std.	675
Century Custom 4	10,989	10,844			11,478	std.	std.	std.	std.	775
Century Limited 4	11,593	11,397				std.	std.	std.	std.	775
Century Estate Wagon 4					11,998	std.	std.	std.	std.	775
Regal V-6		11,562				std.	std.	std.	std.	775
Regal Limited V-6		12,303				std.	std.	std.	std.	775
LeSabre V-6	13,438					std.	std.	std.	std.	std.
LeSabre Custom V-6	13,616	13,616				std.	std.	std.	std.	std.
LeSabre Limited V-6	14,918	14,918				std.	std.	std.	std.	std.
LeSabre Estate Wagon V-8					14,724	std.	std.	std.	std.	std.
Electra V-6	16,902					std.	std.	std.	std.	std.
Electra T-Type V-6	18,224					std.	std.	std.	std.	std.
Electra Park Avenue V-6	18,769	18,577				std.	std.	std.	std.	std.
Electra Estate Wagon V-8					17,697	std.	std.	std.	std.	std.
Riviera V-6		20,337				std.	std.	std.	std.	std.
CADILLAC Cimarron 4	15,032					415	std.	std.	std.	std.
DeVille V-8	21,659	21,316				std.	std.	std.	std.	std.
Fleetwood d'Elegance V-8	26,104					std.	std.	std.	std.	std.
Fleetwood Sixty Special V-8	34,850					std.	std.	std.	std.	std.
Brougham V-8	22,637					std.	std.	std.	std.	std.
Eldorado V-8		23,740				std.	std.	std.	std.	std.
Seville V-8	26,326					std.	std.	std.	std.	std.
Fleetwood Limousine V-8	36,510					std.	std.	std.	std.	std.
Formal Limousine V-8	38,580					std.	std.	std.	std.	std.
Allante V-8				54,700		std.	std.	std.	std.	std.
CHEVROLET Chevette 4	5,495		4,995			450	225	$105	std.	675
Cavalier 4	7,449	7,255			7,615	490	225	std.	122	675
Cavalier CS 4	7,953		7,978		8,140	490	225	std.	std.	675
Cavalier RS 4	8,499	8,318	8,520	$13,446	8,677	490	std.	std.	std.	675
Cavalier Z-24 V-6		9,913	10,115			415	std.	std.	std.	675
Nova 4	8,258					*	*	std.	std.	*
Nova Hatchback 4	8,510					*	*	std.	std.	*
Celebrity 4	10,265	9,995			10,425	std.	std.	std.	std.	775
Celebrity 3-Seat Wagon 4					10,672	std.	std.	std.	std.	775
Camaro V-6		9,995				490	std.	std.	std.	775
Camaro Convertible V-8				14,794		490	std.	std.	std.	775
Camaro Z-28 V-8		12,819		17,218		490	std.	std.	std.	775
Corsica 4 (1988 model)	8,995					490	std.	std.	std.	750
Beretta 4 (1988 model)		9,555				490	std.	std.	std.	750
Monte Carlo LS V-6		11,306				std.	std.	std.	std.	775
Monte Carlo SS V-8		13,463				std	std.	std.	std.	775
Monte Carlo SS Aero V-8		14,838				std.	std.	std.	std.	775
Caprice V-6	10,995					std.	std.	std.	std.	775
Caprice 3-Seat Wagon V-8					11,995	std.	std.	std.	std.	775
Caprice Classic V-6	11,560	11,392				std.	std.	std.	std.	775
Caprice Classic 3-Seat Wagon V-8					12,586	std.	std.	std.	std.	775
Caprice Classic Brougham V-6	12,549					std.	std.	std.	std.	775
Caprice Classic Brougham LS V-6	13,805					std.	std.	std.	std.	775
Corvette V-8			27,999	33,172		std.	std.	std.	std.	std.
*—Part of Nova option package; not priced separately.										
CHRYSLER LeBaron 4	10,707					std.	std.	std.	std.	782
LeBaron Town & Country 4					12,255	std.	std.	std.	std.	782
LeBaron GTS 4	10,152					529	std.	std.	std.	782
LeBaron GTS Premium 4	11,767					529	std.	std.	std.	std.
LeBaron J 4		11,295				529	std.	std.	std.	782
LeBaron J Premium 4		12,288				529	std.	std.	std.	925
New Yorker 4	14,396					std.	std.	std.	std.	925

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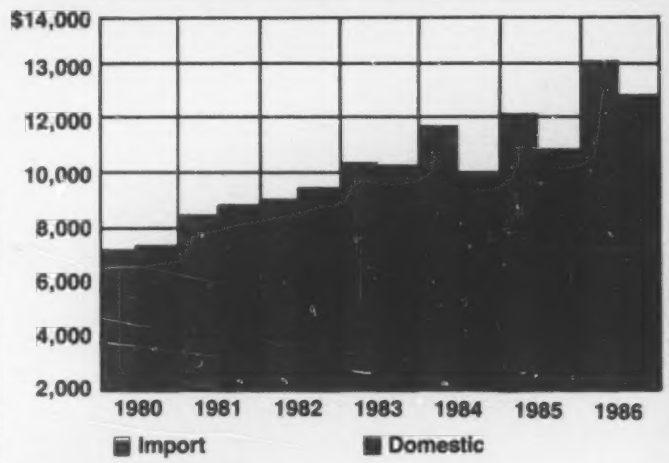
NEW CAR AVERAGE TRANSACTION PRICES



AVERAGE PRICE OF USED CARS SOLD BY FRANCHISED NEW-CAR DEALERS

Year	Sales Price
1976	$2,400
1977	2,690
1978	2,930
1979	3,200
1980	3,380
1981	3,850
1982	4,300
1983	4,610
1984	4,950
1985	5,150
1986	5,570

SOURCE: NADA

AVERAGE PRICE, NEW CARS

Expenditure Per Car

Year	Domestic	Import	Average
1976	5,506	4,923	5,418
1977	5,985	5,072	5,814
1978	6,478	5,934	6,379
1979	6,889	6,704	6,847
1980	7,609	7,482	7,574
1981	8,912	8,896	8,910
1982	9,865	9,957	9,890
1983	10,595	10,914	10,677
1984	11,159	12,097	11,379
1985	11,612	12,670	11,882
1986*	12,473	13,014	12,621

*—Estimated.
SOURCE: U.S. Dept. of Commerce, Bureau Economic Analysis

RETAIL PRICES, IMPORT CARS & LIGHT TRUCKS

PRICES IN EFFECT APRIL 3, 1987

The following prices are Manufacturers' Suggested Retail Prices. They include ocean freight and import duty. They do not include inland shipping charges, state or local taxes, optional equipment or special equipment required by state laws. Where East Coast and West Coast prices differ, East Coast prices are used, unless otherwise noted. Prices are for 1987 models, unless otherwise indicated.

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ACURA

INTEGRA — RS 3-door hatchback, $10,039; RS 5-door hatchback, $10,754; LS 3-door hatchback, $11,589; LS 5-door hatchback, $12,404. **5-speed transmission, power steering, power disc brakes** standard on all models. **Radio** standard on LS models. **Automatic transmission** is $545.

LEGEND — 4-door sedan, $20,258; 4-door sedan (with sunroof), $20,958; 4-door sedan (with luxury option package), $22,858; coupe, $22,458; L coupe, $25,718. **5-speed transmission, power steering, power disc brakes, radio, air conditioning** standard on all models. **Automatic transmission** is $650 on 4-door sedan, $720 on coupe.

All prices include dealer prep fee.

ALFA ROMEO

SPIDER — Graduate convertible, $14,500; Veloce convertible, $17,195; Quadrifoglio convertible (with removable hard top), $21,000. **5-speed transmission, power disc brakes standard on all models. Radio, air conditioning** standard on Quadrifoglio.

MILANO — Silver 4-door sedan, $15,400; Gold 4-door sedan, $16,000; Platinum 4-door sedan, $20,350. **5-speed transmission, power steering, power disc brakes, air conditioning** standard on all models. **Radio** standard on Platinum.

Prices do not include dealer prep fee of $160.

ASTON MARTIN

V-8 COUPE — Coupe, $112,000
V-8 VANTAGE COUPE — Coupe, $127,000
V-8 VOLANTE — Convertible, $137,800.
V-8 VANTAGE VOLANTE — Convertible, $147,800.
LAGONDA — 4-door sedan, $167,000.

Power steering, power disc brakes, radio, air conditioning standard on all models. **Automatic transmission** standard on Lagonda. **Automatic or 5-speed manual transmission** are no-charge choices on other models.

All prices include dealer prep fee.

AUDI

4000 SERIES — 4000S 4-door sedan, $15,875; 4000CS Quattro 4-door sedan (4-wheel drive), $19,850. **5-speed transmission, power steering, power disc brakes, air conditioning** standard on all models. **Radio** standard on Quattro. **Automatic transmission** is $500 on 4000S, not available on Quattro.

COUPE GT — Coupe, $17,580. **5-speed transmission, power steering, power disc brakes, air conditioning** standard on all models. **Automatic transmission** is $500.

5000 SERIES — 5000S 4-door sedan, $20,460; 5000S 4-door wagon, $21,790; 5000CS Turbo 4-door sedan, $26,640; 5000CS Turbo Quattro 4-door sedan, $31,215; 5000CS Turbo Quattro 4-door wagon, $32,555. **5-speed transmission, power steering, power disc brakes, air conditioning** standard on all models. **Radio** standard on Turbo sedan and Turbo Quattro sedan and wagon. **Automatic transmission** on base sedan and wagon and Turbo sedan, not available on Turbo Quattro sedan and wagon.

All prices include dealer prep fee.

BENTLEY

BENTLEY EIGHT — 4-door sedan, $89,900.
CONTINENTAL — Convertible, $173,200.

Automatic transmission, power steering, power disc brakes, radio, air conditioning standard on both models.

Prices include dealer prep fee.

BERTONE

X1/9 — Coupe (with removable hard top), $11,730. **5-speed transmission** is standard. Price does not include dealer prep fee.

BMW

3 SERIES — 325 2-door sedan, $22,290; 325 4-door sedan, $22,850; 325es 2-door sedan, $24,370; 325e 4-door sedan, $25,150; 325is 2-door sedan, $26,990; 325i 4-door sedan, $26,990; 325i convertible, $28,875. **5-speed transmission, power steering, power disc brakes, radio, air conditioning** standard on all models. **Automatic transmission** is $595. Dealer prep fee is $190 on 325es 2-door and 325is 2-door; $130 on other models.

5 SERIES — 528e 4-door sedan, $28,330; 535i 4-door sedan, $33,600; 535is 4-door sedan, $35,200; M5 4-door sedan (1988 model), $43,500. **5-speed transmission, power steering, power disc brakes, radio, air conditioning** standard on all models. **Automatic transmission** is $595 on 528e. $795 on 535i and 535is, not available on M5. Gas-guzzler tax is $650 on 535i and 535is, $2,250 on M5. Dealer prep fee is $130 on 528e, $140 on 535i, $185 on 535is and $220 on M5.

6 SERIES — 635CSi coupe, $46,965; L6 coupe, $49,500; M6 coupe, $55,950. **Power steering, power disc brakes, radio, air conditioning** standard on all models. **Automatic transmission** is standard on L6; it is $795 on 635CSi and is not available on M6. Gas-guzzler tax is $650 on 635CSi and L6, $2,250 on M6. Dealer prep fee is $185 on 635CSi and L6, $225 on M6.

7 SERIES — 735i 4-door sedan (1987 model), $42,475; L7 four-door sedan (1987 model), $46,675; 735i (1988 model), $48,500. **Automatic transmission, power steering, power disc brakes, radio, air conditioning** standard on all models. Gas-guzzler tax is $850 on all models. Dealer prep fee is $145 on all models.

CHEVROLET

SPRINT — 2-door hatchback, $5,995; ER 2-door hatchback, $6,110; Turbo 2-door hatchback, $7,690; 4-door hatchback, $6,195. **5-speed transmission, power disc brakes** are standard. **Automatic transmission** is $420.

SPECTRUM — 2-door hatchback, $7,412; 4-door sedan, $7,709. **5-speed transmission, power disc brakes** are standard. **Automatic transmission** is part of an option package, cannot be ordered separately.

All prices include dealer prep fee.

CHRYSLER

CONQUEST — 2-door hatchback, $14,417. **5-speed transmission, power steering, power disc brakes, radio** are standard. **Automatic transmission** is $529.

Price includes dealer prep fee.

Continued on page 78

PRICES

IMPORT PRICES

Continued from page 77

DODGE

COLT — E 3-door hatchback, $5,949; DL 3-door hatchback, $7,152; E 4-door sedan, $7,290; DL 4-door sedan, $7,591; Premier 4-door sedan, $8,522. **Power disc brakes** standard on all models. **Automatic transmission** is $434.

COLT VISTA — 5-door wagon (2-wheel drive), $10,398; 5-door wagon (4-wheel drive), $11,625. **5-speed transmission, power disc brakes** standard on both models. **Power steering** standard on 4wd Vista. **Automatic transmission** is $434.

RAIDER (Sport/utility, 4-wheel drive) — Raider (5-speed), $10,317. **Power steering, power disc brakes** are standard. **Automatic transmission** is $535.

All prices include dealer prep fee.

DODGE PICKUP TRUCKS

RAM 50 — 2-Wheel Drive — Standard bed, $6,434; Sport standard bed, $7,773; long bed, $6,737; Custom long bed, $7,094. **4-Wheel Drive** — Standard bed, $9,101; Sport standard bed, $10,097; long bed, $9,324; Custom long bed, $9,564. **5-speed transmission, power disc brakes** standard on all models.

All prices include dealer prep fee.

FERRARI

328 SERIES — GTB coupe, $64,500; GTS Targa coupe, $69,700.

MONDIAL — Coupe, $68,300; cabriolet, $74,400.

TESTAROSSA — Coupe, $109,700.

5-speed transmission, power disc brakes, air conditioning standard on all models.

Prices include dealer prep fee.

HONDA

CRX — HF coupe (5-speed), $7,759; coupe (5-speed), $8,095; coupe (automatic), $8,605; Si coupe (5-speed), $9,539. **Power disc brakes** standard on all models.

CIVIC — 3-door hatchback (4-speed), $5,849; DX 3-door hatchback (5-speed), $7,599; DX 3-door hatchback (automatic), $8,109; Si 3-door hatchback (5-speed), $9,035; 4-door sedan (5-speed), $8,580; 4-door sedan (automatic and power steering), $9,318; 4-door wagon (5-speed), $8,455; 4-door wagon (automatic), $8,965; 4-door wagon (6-speed, 4-wheel drive), $9,895; Wagovan, $8,200. **Power disc brakes** standard on all models.

ACCORD — DX 3-door hatchback (5-speed), $10,120; DX 3-door hatchback (automatic), $10,665; LXi 3-door hatchback (5-speed) $13,160; LXi 3-door hatchback (automatic), $13,705; DX 4-door sedan (5-speed), $10,795; DX 4-door sedan (automatic), $11,340; LX 4-door sedan (5-speed), $12,998; LX 4-door sedan (automatic), $13,543; LXi 4-door sedan (5-speed), $14,680; LXi 4-door sedan (automatic), $15,225. **Power steering, power disc brakes** standard on all models. **Radio, air conditioning** standard on LX and LXi models.

PRELUDE — Coupe (5-speed), $12,230; coupe (automatic), $12,775; Si coupe (5-speed), $15,245; Si coupe (automatic), $15,790. **Power steering, power disc brakes, radio** standard on all models. **Air conditioning** standard on Si.

The Civic 4-door sedan and all Accord models are built in the United States.

All prices include dealer prep fee.

HYUNDAI

EXCEL — 3-door hatchback (4-speed), $5,195; GL 3-door hatchback (5-speed), $6,095; GLS 3-door hatchback (5-speed), $6,795; 5-door hatchback (4-speed), $5,495; GL 5-door hatchback (5-speed), $6,395; GLS 5-door hatchback (5-speed), $7,095; GL 4-door sedan (5-speed), $6,545; GLS 4-door sedan (5-speed), $7,245. **Power disc brakes** standard on all models. **Radio** standard on GLS models. **Automatic transmission** is $420 on GL and GLS models, not available on base hatchbacks.

Hyundai has no suggested dealer prep fee.

ISUZU

I-MARK — S 4-door sedan, $7,459; S 2-door hatchback, $7,119; 4-door sedan, $8,419; 2-door hatchback, $8,239. **Power disc brakes** standard on all models. **Automatic transmission** is $430.

IMPULSE — RS Turbo coupe, $14,639. **5-speed transmission, power steering, power disc brakes, radio, air conditioning** are standard.

TROOPER II (sport/utility, 4-wheel drive) — Deluxe Gas 2-door, $10,809; Deluxe Gas 4-door, $11,229; LS Gas 4-door, $12,999; Deluxe Turbodiesel 2-door, $12,729; Deluxe Turbodiesel 4-door, $13,149; LS Turbodiesel 4-door, $14,919. **5-speed transmission, power steering, power disc brakes** standard on all models. **Radio** standard on LS models.

All prices include dealer prep fee.

ISUZU PICKUP TRUCKS

GASOLINE ENGINE — 2-Wheel Drive — Standard (4-speed), $6,299; Standard (5-speed), $6,549; Standard (automatic), $6,999; LS, $8,519. Standard long wheelbase (5-speed), $6,799; Standard long wheelbase (automatic), 7,249; Standard Spacecab (5-speed), $7,749; Deluxe Spacecab (automatic), $9,009; LS Spacecab (5-speed), $10,019. **4-Wheel Drive** — Standard (5-speed), $8,909; LS (5-speed), $10,579; LS Spacecab (5-speed), $11,679.

DIESEL ENGINE — 2-Wheel Drive — MPG Plus (4-speed, 49-state), $7,369; MPG Plus (5-speed, California), $7,369; Standard long wheelbase (5-speed), $7,619; LS Spacecab (5-speed, Turbodiesel), $11,339. **4-Wheel Drive** — Deluxe long wheelbase (5-speed, Turbodiesel), $11,089. Turbodiesel not available in California.

Power disc brakes standard on all models. **Power steering, radio** standard on LS models.

All prices include dealer prep fee.

JAGUAR

XJ-6 — 4-door sedan, $37,500.

VANDEN PLAS — 4-door sedan, $41,500.

XJ-S — Coupe, $39,700; Cabriolet, $44,850; convertible (by Hess & Eisenhardt), $47,000.

Automatic transmission, power steering, power disc brakes, radio, air conditioning standard on all models.

Prices do not include dealer prep fee of about $400.

LAMBORGHINI

JALPA — Coupe (5-speed), $61,000.

COUNTACH — LP500 coupe (5-speed), $125,000.

LMA002 (sport/utility) — all-terrain vehicle (5-speed), $125,000.

Power disc brakes, radio, air conditioning standard on all models. **Power steering** standard on LMA002.

Prices include gas-guzzler tax of $1,850 on Jalpa, $3,900 on Countach and LMA002.

Prices include dealer prep fee.

LOTUS

TURBO ESPRIT — Coupe (with removable roof panel), $56,991. **5-speed transmission, power disc brakes, air conditioning** are standard.

Price does not include dealer prep fee of $350.

MASERATI

BITURBO — Si coupe, $34,695; 425i 4-door sedan, $35,695; Spyder i convertible, $38,695. **5-speed transmission, power steering, power disc brakes, radio, air conditioning** standard on all models.

QUATTROPORTE — 4-door sedan, $67,910. **Automatic transmission, power steering, power disc brakes, radio, air conditioning** are standard. Price is for 1986 model.

Prices do not include dealer prep fee.

MAZDA

323 SERIES — 3-door hatchback, $6,099; Deluxe 3-door hatchback, $7,699; Deluxe 4-door sedan, $8,299; Luxury 4-door sedan, $8,899; Deluxe 4-door wagon, $8,899. **Power disc brakes** standard on all models. **Automatic transmission** is $430; not available on base hatchback.

626 SERIES — Deluxe 2-door sedan, $9,949; Luxury 2-door sedan, $11,699; GT Turbo 2-door sedan, $13,449; Deluxe 4-door sedan, $9,899; Luxury 4-door sedan, $11,699; GT Turbo 4-door sedan, $13,149; Luxury Touring Sedan, $12,399; GT Turbo Touring Sedan, $14,049. **5-speed transmission, power disc brakes** standard on all models. **Power steering, radio** standard on Luxury and GT Turbo models. **Automatic transmission** is $675; not available on GT Turbo models.

RX-7 SERIES — Coupe, $14,199; coupe (with Sport Package), $15,749; LX coupe, $15,799; GXL coupe, $18,449; 2+2 coupe, $14,699; LX 2+2 coupe, $16,299; GXL 2+2 coupe, $18,949; Turbo coupe, $20,399. **5-speed transmission, power disc brakes, radio** standard on all models. **Power steering** standard on GXL models and with Sport Package. **Air conditioning** standard on GXL and Turbo models. **Automatic transmission** is $595; not available with Sport Package or on Turbo.

All prices include dealer prep fee.

MAZDA PICKUP TRUCKS

B-2000 (2-wheel drive) — Base short bed, $6,595; Base long bed, $6,795; SE-5 short bed, $6,995; SE-5 long bed, $7,195; LX short bed, $8,095; LX long bed, $8,295; LX short bed (with Convenience Package), $8,795; LX long bed (with Convenience Package), $8,995; Cab Plus, $7,995; Cab Plus SE-5, $8,395; Cab Plus LX, $9,195; Cab Plus LX (with Convenience Package), $9,895. **5-speed transmission, power disc brakes** standard on all models. **Radio** standard on LX models. **Automatic transmission** is $600.

B-2200 (2-wheel drive) — Standard short bed, $6,699; Standard long bed, $7,099; Standard Cab Plus, $8,099; SE-5 short bed, $7,199; SE-5 long bed, $7,599; SE-5 Cab Plus, $8,599; LX short bed, $8,599; LX long bed, $8,999; LX Cab Plus, $9,549. **5-speed transmission, power disc brakes** standard on all models. **Radio** standard on LX models. **Automatic transmission** is $670 on SE-5 short bed and SE-5 long bed; $850 on Standard short bed and Standard long bed; $600 on other models.

B-2600 (2-wheel drive) — LX short bed, $8,949; LX long bed, $9,349; LX Cab Plus, $9,899. **5-speed transmission, power disc brakes, radio** standard on all models. **Automatic transmission** is $600.

B-2600 (4-wheel drive) — Standard short bed, $9,399; Standard long bed, $9,799; Standard Cab Plus, $10,799; SE-5 short bed, $9,799; SE-5 long bed, $10,199; SE-5 Cab Plus, $11,199; LX short bed, $11,499; LX long bed, $11,899; LX Cab Plus, $12,449. **5-speed transmission, power disc brakes** standard on all models. **Radio** standard on LX models. **Automatic transmission** is $640 on SE-5 short bed and long bed, $530 on SE-5 Cab Plus and all LX models, not available on Standard short bed, Standard long bed and Standard Cab Plus.

All prices include dealer prep fee.

MERCEDES-BENZ

190 CLASS — 190E 2.3 4-door sedan (5-speed), $27,430; 190E 2.3 4-door sedan (automatic), $28,160; 190D 2.5 4-door sedan (diesel, 5-speed), $27,430; 190D 2.3 4-door sedan (diesel, automatic), $28,160; 190D 2.5 Turbo 4-door sedan (Turbodiesel, automatic), $30,960; 190E 2.3-16 4-door sedan (5-speed), $41,150; 190E 2.3-16 4-door sedan (automatic), $41,870; 190E 2.6 4-door sedan (automatic), $32,200.

300 CLASS — 260E 4-door sedan (automatic), $35,850; 300E 4-door sedan (automatic), $41,050; 300D Turbo 4-door sedan (Turbodiesel, automatic), $41,050; 300TD Turbo 4-door wagon (Turbodiesel, automatic), $44,160.

S CLASS — 300SDL Turbo 4-door sedan (Turbodiesel, automatic), $48,840; 420SEL 4-door sedan (automatic), $54,050; 560SEL 4-door sedan (automatic), $63,900; 560SL coupe/roadster (automatic), $57,450; 560SEC coupe (automatic), $70,600. Gas-guzzler tax is $1,050 on 420SEL, $1,300 on 560SL and $1,500 on 560SEL and 560SEC.

Power steering, power disc brakes, radio, air conditioning standard on all models.

All prices include dealer prep fee.

MITSUBISHI

PRECIS — 3-door hatchback (4-speed), $5,195; LS 3-door hatchback (5-speed), $6,499; LS 3-door hatchback (automatic), $6,919; LS 5-door hatchback (5-speed), $6,799; LS 5-door hatchback (automatic), $7,219. **Power disc brakes** standard on all models.

MIRAGE — 2-door hatchback (4-speed), $5,969; L 2-door hatchback (5-speed), $7,369; L 2-door hatchback (automatic), $7,789; 4-door sedan (5-speed), $7,919; 4-door sedan (automatic), $8,339; Turbo Sport 2-door hatchback (5-speed), $8,479; Turbo Sport 2-door hatchback (automatic), $9,109. **Power disc brakes** standard on all models.

TREDIA — L 4-door sedan (5-speed), $9,559; L 4-door sedan (automatic), $9,989; LS 4-door sedan (automatic), $10,589; Turbo 4-door sedan, $10,429. **Power steering, power disc brakes, radio** standard on all models.

CORDIA — L Sport 2-door hatchback (5-speed), $9,859; L Sport 2-door hatchback (automatic), $10,289; Turbo Sport 2-door hatchback (5-speed), $11,439. **Power steering, power disc brakes, radio** standard on all models.

GALANT — 4-door Luxury Sedan (5-speed), $14,139; 4-door Luxury Sedan (automatic), $14,819. **Power steering, power disc brakes, radio, air conditioning** are standard.

STARION — LE Turbo 2+2 coupe (5-speed), $15,649; LE Turbo 2+2 coupe (automatic), $16,219; ESI-R Turbo 2+2 coupe, $18,109. **Power steering, power disc brakes, radio, air conditioning** standard on all models.

VAN/WAGON — Van (cargo version), $9,839; Van (with Converter convenience package), $10,529; Wagon, $12,789; LS Wagon, $14,289. **Automatic transmission, power disc brakes** standard on all models. **Power steering, radio** standard on LS Wagon.

MONTERO (Sport/utility, 4-wheel drive) — 3-door (5-speed), $9,869; 3-door (automatic), $10,399; Sport 3-door (5-speed), $12,159; Sport (automatic), $12,679. **Power steering, power disc brakes** standard on all models. **Radio** standard on Montero Sport.

All prices include dealer prep fee.

MITSUBISHI PICKUP TRUCKS

2-WHEEL DRIVE — Mighty Max (5-speed), $6,499; Mighty Max (automatic), $7,089; Mighty Max One-Ton (5-speed), $7,329; Mighty Max Sport (5-speed), $7,299; Mighty Max Sport long bed (5-speed), $7,589; SPX (5-speed), $7,779. **Power disc brakes** standard on all models.

4-WHEEL DRIVE — Mighty Max (5-speed), $9,279; Mighty Max long bed (5-speed), $9,569; SPX (5-speed), $10,339. **Power steering, power disc brakes** standard on all models.

All prices include dealer prep fee.

NISSAN

SENTRA — Standard 2-door sedan (5-speed), $6,299; E 2-door sedan (5-speed), $7,499; E 2-door sedan (automatic transmission and power steering), $8,294; XE 2-door sedan (5-speed), $8,699; XE 2-door sedan (automatic transmission and radio), $9,524; E 5-door hatchback (5-speed), $7,349; E 5-door hatchback (automatic transmission and power steering), $8,144; XE 3-door hatchback (5-speed), $8,599; XE 3-door hatchback (automatic transmission and radio), $9,424; E 4-door sedan (5-speed), $8,249; E 4-door sedan (automatic transmission and power steering), $9,044; XE 4-door sedan (5-speed), $9,049; XE 4-door sedan (automatic transmission and radio), $9,874; GXE 4-door sedan (5-speed), $9,899; GXE 4-door sedan (automatic), $10,374; E 4-door wagon (5-speed), $8,449; E 4-door wagon (automatic and power steering), $9,244; XE 4-door wagon (5-speed), $9,399; XE 4-door wagon (automatic transmission and radio), $10,224; GXE 4-door wagon (5-speed), $10,049; GXE 4-door wagon (automatic), $10,524; XE 4-door wagon (4-wheel drive, 5-speed), $10,149; XE coupe (5-speed), $9,699; XE coupe (automatic transmission and radio), $10,524; SE coupe (5-speed), $10,599; SE coupe (automatic), $11,074. **Power disc brakes** standard on all models. **Power steering** standard on XE, GXE and SE models. **Radio** standard on GXE and SE models.

Sentra 2-door sedans, 3-door hatchbacks, 4-door sedans and 2-wheel-drive wagons are built in the United States.

STANZA — E 4-door sedan (5-speed), $10,749; E 4-door sedan (automatic), $11,444; GXE 4-door sedan (5-speed), $12,349; GXE 4-door sedan (automatic), $13,044; XE 5-door hatchback (5-speed), $11,699; XE 5-door hatchback (automatic), $12,394; XE wagon (2-wheel drive, 5-speed), $11,624; XE wagon (2-wheel drive, automatic), $12,469; XE wagon (4-wheel drive, 5-speed), $13,024; XE Van (4-wheel drive, 5-speed), $13,024. **Power steering, power disc brakes, radio** standard on all models.

PULSAR NX — XE 2-door hatchback (5-speed), $11,049; XE 2-door hatchback (automatic), $11,524; SE 2-door hatchback (5-speed), $12,249. **Power steering, power disc brakes, radio** standard on all models.

200-SX — XE notchback coupe (5-speed), $11,199; XE notchback coupe (automatic), $11,894; XE hatchback coupe (5-speed), $11,449; XE hatchback coupe (automatic) $12,144; SE hatchback coupe (5-speed), $14,749; SE hatchback coupe (automatic), $15,444. **Power steering, power disc brakes, radio** standard on all models.

MAXIMA — SE 4-door sedan (5-speed), $16,849; SE 4-door sedan (automatic), $17,599; GXE 4-door sedan (automatic), $16,649; GXE 4-door wagon (automatic), $17,749. Models with **automatic seat belts** are $400 more. **Power steering, power disc brakes, radio, air conditioning** standard on all models.

300-ZX — 2-seater Hatchback — GS coupe (5-speed), $18,849; GS coupe (automatic), $19,544; GS coupe (T-bar roof, 5-speed), $19,949; GS coupe (T-bar roof, automatic), $20,644; Turbo coupe (5-speed), $22,099; Turbo coupe (automatic), $22,794. **2+2 Hatchback** — GS coupe (5-speed), $21,099; GS coupe (automatic), $21,794. **Power steering, power disc brakes, radio, air conditioning** standard on all models.

VAN (7-passenger) — XE (5-speed), $12,599; XE (automatic), $13,444; GXE (automatic), $14,599. **Power steering, power disc brakes, radio** standard on all models.

PATHFINDER (sport/utility, 4-wheel drive) — E (5-speed), $12,524; XE (5-speed), $14,449; XE (automatic), $15,264; SE (5-speed), $15,849; SE (automatic), $16,464. **Power steering, power disc brakes** standard on all models. **Radio** standard on SE.

NISSAN PICKUP TRUCKS

REGULAR BED (2-wheel drive) — Standard (5-speed), $6,699; Standard (automatic), $7,394; E (5-speed), $7,299; E (automatic transmission and power steering), $8,264; SE (5-speed), $10,174; SE (automatic), $10,919.

LONG BED (2-wheel drive) — E (5-speed), $7,949; E (automatic transmission and power steering), $8,914; XE (5-speed), $8,599; XE (automatic), $9,694; Heavy Duty (5-speed), $9,199; Heavy Duty (automatic), $9,944.

CAB AND CHASSIS — Dual Rear Wheel (5-speed), $9,199; Dual Rear Wheel (automatic), $9,944.

KING CAB — E (5-speed), $8,899; E (automatic transmission and power steering), $9,864; XE (5-speed), $9,849; XE (automatic), $10,544; SE (5-speed), $11,399; SE (automatic), $12,144.

4-WHEEL DRIVE — E regular bed (5-speed), $9,749; E (automatic transmission and power steering), $10,969; SE regular bed (5-speed), $12,499; XE long bed (5-speed), $11,299; King Cab XE (5-speed), $12,049; King Cab SE (5-speed), $13,649; King Cab SE (automatic), $14,264.

Power disc brakes standard on all models. **Power steering** standard on XE and SE models. **Radio** standard on SE models.

All prices include dealer prep fee.

PEUGEOT

505 SERIES (Gasoline engine) — GL 4-door sedan (5-speed), $14,160; Liberte 4-door sedan (automatic), $16,100; GLS 4-door sedan (5-speed), $16,170; STI 4-door sedan (5-speed), $18,870; Liberte 4-door wagon (automatic), $17,100.

505 TURBO (gasoline engine) — 4-door sedan (5-speed), $18,990; S 4-door sedan (5-speed), $23,100; 4-door wagon (automatic), $20,200; S 4-door wagon (automatic), $22,750.

505 TURBODIESEL — GLS 4-door sedan (automatic), $18,550; GLS 4-door wagon (automatic), $19,450.

505 V-6 — STI 4-door sedan (5-speed), $21,100; STX 4-door sedan (5-speed), $23,750.

Power steering, power disc brakes standard on all models. **Radio, air conditioning** standard on all models except GL 4-door sedan. On 5-speed models, add the following for **automatic transmission:** $700 on GL sedan; $600 on other models.

All prices include dealer prep fee.

PLYMOUTH

COLT — E 3-door hatchback, $5,949; DL 3-door hatchback, $7,152; E 4-door sedan, $7,290; DL 4-door sedan, $7,591; Premier 4-door sedan, $8,522. **Power disc brakes** standard on all models. **Automatic transmission** is $434. Prices include dealer prep fee.

COLT VISTA — 5-door wagon (2-wheel drive), $10,398; 5-door wagon (4-wheel drive), $11,625. **5-speed transmission, power disc brakes** standard on both models. **Power steering** standard on 4wd Vista. **Automatic transmission** is $434.

All prices include dealer prep fee.

PORSCHE

924S — Coupe (5-speed), $23,910; coupe (automatic), $25,025. **Power steering, power disc brakes, air conditioning** are standard.

944 — Coupe (5-speed), $27,840; coupe (automatic), $28,955; S coupe (5-speed), $30,850; Turbo coupe (5-speed), $36,300. **Power steering, power disc brakes, air conditioning** standard on all models.

911 — Coupe (5-speed), $41,440; Targa coupe (5-speed), $43,590; Cabriolet (5-speed), $47,895; Turbo coupe (4-speed), $63,295; Turbo Targa coupe (4-speed), $71,035; Turbo Cabriolet (4-speed), $78,415. **Power steering, power disc brakes, radio, air conditioning** standard on all models.

928S4 — Coupe (5-speed or automatic), $63,520. **Power steering, power disc brakes, radio, air conditioning** are standard.

Prices do not include dealer prep fee of $245.

RANGE ROVER

RANGE ROVER — 4-door station wagon, $30,825. **Automatic transmission, power steering, power disc brakes, radio, air conditioning** are standard.

Price includes dealer prep fee.

RENAULT

ALLIANCE — 2-door sedan, $6,399; 3-door hatchback, $6,399; 4-door sedan, $6,599; L 2-door sedan, $6,925; L 3-door hatchback, $6,975; L 4-door sedan, $7,200; L 5-door hatchback, $7,250; L convertible, $11,099; DL 2-door sedan, $7,625; DL 3-door hatchback, $7,675; DL 4-door sedan, $7,900; DL 5-door hatchback, $7,950; DL convertible, $12,099; GS 3-door hatchback, $8,499; GTA 2-door sedan, $8,999; GTA convertible, $12,899. **Power disc brakes** standard on all models. **Power steering** standard on GTA models. **Radio** standard on all models except base series. **4-speed transmission** standard on base and L models; **5-speed transmission** standard on DL, GS and GTA models. **Automatic transmission** is $483 on base and L models, $380 on DL, GS and GTA models.

Alliance models are built in the United States.

MEDALLION — DL 4-door sedan, $9,965; LX 4-door sedan, $10,479; DL 4-door wagon, $10,693. **5-speed transmission, power steering, power disc brakes, radio** standard on all models. **Automatic transmission** is $469.

Prices include dealer prep fee.

ROLLS-ROYCE

SILVER SPIRIT — 4-door sedan, $109,700.

SILVER SPUR — 4-door sedan, $121,500; limousine, $198,000.

CORNICHE II — Convertible, $173,800.

Automatic transmission, power steering, power disc brakes, radio, air conditioning standard on all models.

Prices include dealer prep fee.

SAAB

900 SERIES — 4-door hatchback, $14,395; 4-door sedan, $14,805.

900S (16-valve) — 3-door hatchback, $17,935; 4-door sedan, $18,545.

900 TURBO (16-valve) — 3-door hatchback, $20,815; convertible, $27,115.

9000S (16-valve) — 5-door hatchback, $22,245.

9000 TURBO (16-valve) — 5-door hatchback, $26,025.

5-speed transmission, power steering, power disc brakes, radio, air conditioning standard on all models. **Automatic transmission** is $430 on 900, 900S and 900 Turbo; $560 on 9000S and 9000 Turbo.

Prices do not include dealer prep fee which is dealer's hourly rate times three.

STERLING

825 SERIES — S 4-door sedan, $19,000; SL 4-door sedan, $23,900. **Power steering, power disc brakes, radio, air conditioning** standard on both models. **Automatic transmission** is standard on 825-SL; it is $825 on 825-S.

Prices do not include dealer prep fee of $75.

SUBARU

JUSTY — DL 2-door hatchback (5-speed), $5,495; GL 2-door hatchback (5-speed), $5,295. **Power disc brakes** standard on both models.

DOMESTIC PRICES

Continued from page 77

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Automatic Trans.	Power Steering	Power Brakes	Radio	Air Cond.
Fifth Avenue V-8	15,966					std.	std.	std.	std.	std.
LeBaron J convertible had not been priced at presstime.										
DODGE Omni America 4	5,799					*	*	std.	*	701
Charger 4			7,199			*	*	std.	*	701
Shelby Charger Turbo 4			9,840			N.A.	std.	std.	std.	701
Shadow 4	7,699		7,499			529	std.	std.	std.	694
Aries 4	7,879	7,879				529	240	std.	std.	782
Aries LE 4	8,364	8,364			8,808	529	240	std.	std.	782
Lancer 4	9,852					529	std.	std.	std.	782
Lancer ES 4	10,806					529	std.	std.	std.	782
Daytona 4			9,799			529	std.	std.	std.	782
Daytona Shelby Z 4			12,749			529	std.	std.	std.	782
Daytona Pacifica 4			13,912			529	std.	std.	std.	782
Dodge 600 4	10,010					std.	std.	std.	std.	782
Dodge 600-SE 4	10,672					std.	std.	std.	std.	782
Diplomat Salon V-8	10,598					std.	std.	std.	std.	837
Diplomat SE V-8	11,678					std.	std.	std.	std.	837
*—Part of option packages for Omni America and Charger. Items are not priced separately. Daytona had not been priced at presstime.										
FORD Escort Pony 4			6,586			N.A.	N.A.	std.	39	N.A.
Escort GL 4	7,163		6,949		7,444	490	235	std.	std.	688
Escort GT 4			8,815			N.A.	std.	std.	std.	688
Escort EXP Luxury Coupe 4			7,745			415	235	std.	std.	688
Escon EXP Sport Coupe 4			8,920			N.A.	std.	std.	std.	688
Tempo GL 4	8,310	8,160				482	std.	std.	std.	773
Tempo Sport GL 4	9,059	8,909				482	std.	std.	std.	773
Tempo LX 4	9,520	9,321				482	std.	std.	std.	773
Tempo 4wd 4	10,194	10,044				std.	std.	std.	std.	773
Mustang LX 4		8,271	8,690	13,052		515	std.	std.	std.	788
Mustang GT V-8			12,106	15,852		515	std.	std.	std.	788
Taurus L 4	10,650					std.	std.	std.	std.	788
Taurus L Wagon V-6					11,870	std.	std.	std.	std.	788
Taurus GL 4	11,622					std.	std.	std.	std.	788
Taurus GL Wagon V-6					12,802	std.	std.	std.	std.	788
Taurus MT-5 4	12,074				12,654	N.A.	std.	std.	std.	std.
Taurus LX V-6	14,633				15,243	std.	std.	std.	std.	std.
Thunderbird V-6		13,028				std.	std.	std.	std.	std.
Thunderbird Sport V-8		15,065				std.	std.	std.	std.	std.
Thunderbird LX V-6		15,357				std.	std.	std.	std.	std.
Thunderbird Turbo Coupe 4		16,600				std.	std.	std.	std.	std.
LTD Crown Victoria V-8	14,349	14,709			14,315	std.	std.	std.	std.	std.
LTD Country Squire V-8					14,567	std.	std.	std.	std.	std.
LTD Crown Victoria LX V-8	15,410	15,378			15,489	std.	std.	std.	std.	std.
LTD Country Squire LX V-8					15,741	std.	std.	std.	std.	std.

PRICES

HATCHBACK — Standard (4-speed), $5,398; GL (5-speed), $7,588; GL (automatic), $8,093; GL (4-wheel drive, 4-speed), $8,293. **Power disc brakes, radio** standard on all models.

BRAT — GL (4-wheel drive, 4-speed), $8,338. **Power disc brakes, radio** are standard.

4-DOOR SEDAN — DL (5-speed), $8,808; DL (automatic), $9,518; GL (5-speed), $9,838; GL (automatic), $10,643; GL Turbo (5-speed), $12,383; GL-10 (automatic), $12,348; GL-10 Turbo (5-speed), $13,628; GL-10 Turbo (automatic), $14,053; GL (4-wheel drive, 5-speed), $10,308; GL (4-wheel drive, automatic), $11,138; RX turbo (4-wheel drive, 5-speed), $13,833; GL-10 Turbo (4-wheel drive, 5-speed), $15,068; GL-10 Turbo (4-wheel drive, automatic), $15,243. **Power disc brakes, radio** standard on all models. **Power steering, air conditioning** standard on Turbo models.

3-DOOR COUPE — DL (5-speed), $9,108; GL (5-speed), $10,138; GL (automatic), $10,673; GL Turbo (5-speed), $12,593; GL (4-wheel drive, 5-speed), $10,608; GL (4-wheel drive, automatic), $11,143; GL Turbo (4-wheel drive, 5-speed), $14,053. **Power disc brakes, radio** standard on all models. **Power steering, air conditioning** standard on Turbo models.

4-DOOR WAGON — DL (5-speed), $9,208; DL (automatic), $9,918; GL (5-speed), $10,238; GL (automatic), $11,043; GL Turbo (5-speed), $12,783; GL-10 (automatic), $12,748; GL-10 Turbo (5-speed), $14,028; GL-10 Turbo (automatic), $14,453; DL (4-wheel drive, 5-speed), $9,598; GL (4-wheel drive, 5-speed), $10,708; GL (4-wheel drive, automatic), $11,538; GL Turbo (4-wheel drive, 5-speed), $13,388; GL-10 Turbo (4-wheel drive, 5-speed), $14,688; GL-10 Turbo (4-wheel drive, automatic), $15,643. **Power disc brakes, radio** standard on all models. **Power steering, air conditioning** standard on Turbo models.

XT COUPE — DL (5-speed), $9,431; GL (5-speed), $11,553; GL (automatic), $12,328; GL Turbo (5-speed), $13,416; GL-10 (automatic), $14,164; GL-10 Turbo (5-speed), $14,899; GL-10 Turbo (automatic), $15,449; GL (4-wheel drive, 5-speed), $12,628; GL-10 Turbo (4-wheel drive, 5-speed), $16,124; GL-10 Turbo (4-wheel-drive, automatic), $16,674. **Power disc brakes, radio** standard on all models. **Power steering** standard on all except DL. **Air conditioning** standard on GL Turbo and all GL-10 models.

Justy prices include dealer prep fee of $129. Other prices do not include dealer prep fee, which is $144 on Brat and $129 on Hatchback, Sedan, Wagon, 3-Door Coupe and XT Coupe.

SUZUKI

SAMURAI (Sport utility) — Standard (with removable soft top), $6,995. Standard hard top, $7,200. Deluxe JX (with removable soft top), $7,895; Deluxe JX hard top, $8,050. Deluxe II (with removable soft top), $8,635; Deluxe II hard top, $8,795. Truck (with removable soft top), $6,695. Truck hard top, $6,900. **5-speed transmission, power disc brakes** standard on all models. **Radio** standard on Deluxe JX and Deluxe II. **Air conditioning** standard on Deluxe II.

Prices do not include dealer prep fee.

TOYOTA

TERCEL — EZ 3-door liftback (4-speed), $5,848. Standard 3-door liftback (4-speed), $6,148. Deluxe 3-door liftback (5-speed), $7,458. Deluxe 3-door liftback (automatic), $7,898. Standard coupe (5-speed), $6,548. Standard coupe (automatic), $6,978. Deluxe coupe (automatic), $8,088. Deluxe 5-door liftback (automatic), $8,138. Deluxe 5-door wagon (5-speed), $8,548. Deluxe 5-door wagon (automatic), $9,028. Deluxe wagon (4-wheel drive, 5-speed), $9,868. Deluxe wagon (4-wheel drive, automatic), $10,248. SR-5 wagon (4-wheel drive, 5-speed), $10,938. **Power disc brakes** standard on all models. **Radio** standard on all models except EZ 3-door liftback.

MR2 — Coupe (5-speed), $12,540; coupe (automatic), $13,238; coupe (T-bar roof, 5-speed), $13,738; coupe (T-bar roof, automatic), $14,428. **Power steering, power disc brakes, radio** standard on all models.

COROLLA (front-wheel drive) — Deluxe 4-door sedan (5-speed), $8,378; Deluxe 4-door sedan (automatic), $8,818; LE 4-door sedan (5-speed), $9,528; LE 4-door sedan (automatic), $10,148; Deluxe 5-door liftback (automatic), $9,288. **Power disc brakes, radio** standard on all models.

COROLLA SPORT (rear-wheel drive) — SR-5 sport coupe (5-speed), $9,798; SR-5 sport coupe (automatic), $10,418; GT-S sport coupe (5-speed), $10,668. **Power disc brakes, radio** standard on all models.

COROLLA FX (front-wheel drive) — FX 3-door liftback (5-speed), $7,878; FX 3-door liftback (automatic), $8,318 (the base FX does not have the 16-valve engine); FX-16 3-door liftback (5-speed), $9,678; FX-16 3-door liftback (automatic), $10,368; FX-16 GTS 3-door liftback (5-speed), $10,668; FX-16 GTS 3-door liftback), $11,358. **Power disc brakes, radio** standard on all models. **Power steering** standard on FX-16 and FX-16 GTS models.

CAMRY — 4-door sedan (5-speed), $10,648; 4-door sedan (automatic), $11,338; Deluxe 4-door sedan (5-speed), $11,196; Deluxe 4-door sedan (automatic), $11,888; LE 4-door sedan (automatic), $13,598; Deluxe 5-door wagon (5-speed), $11,888; Deluxe 5-door wagon (automatic), $12,578; LE 5-door wagon (automatic), $14,368. **Power steering, power disc brakes, radio** standard on all models.

CRESSIDA — 4-door Luxury Sedan (5-speed), $19,850; 4-door Luxury Sedan (automatic), $19,850; 5-door Luxury Wagon (automatic), $19,910. **Power steering, power disc brakes, radio, air conditioning** standard on all models.

CELICA — ST sport coupe (5-speed), $10,748; ST sport coupe (automatic), $11,368; GT sport coupe (5-speed), $12,388; GT sport coupe (automatic), $13,008; GT liftback (5-speed), $12,638; GT liftback (automatic), $13,258; GT convertible (5-speed), $17,298; GT convertible (automatic), $17,918; GT-S sport coupe (5-speed), $14,378; GT-S sport coupe (automatic), $15,068; GT-S liftback (5-speed), $14,728. **Power steering, power disc brakes, radio** standard on all models.

SUPRA — Liftback (5-speed), $20,490; Liftback (automatic), $21,180; Sport Roof liftback (removable top, automatic), $22,230; Turbo liftback (5-speed), $22,810; Turbo liftback (automatic), $23,500; Sport Roof Turbo liftback (removable top, 5-speed), $23,810. **Power steering, power disc brakes, radio, air conditioning** standard on all models.

PASSENGER VAN — Deluxe (5-speed), $11,988; Deluxe (automatic), $12,608; LE (automatic), $14,598; LE 4-wheel drive (5-speed), $15,998; LE 4-wheel drive (automatic), $16,728. **Power disc brakes, radio** standard on all models. **Power steering** standard on LE models.

CARGO VAN — Window van (5-speed), $9,548; window van (automatic), $10,148; panel van (5-speed), $9,248; panel van (automatic), $9,848; 4-wheel-drive panel van (5-speed), $11,568; 4-wheel-drive panel van (automatic), $12,278. **Power disc brakes** standard on all models. **Power steering** standard on 4wd models.

4RUNNER — Deluxe 2-passenger (5-speed), $12,998; SR-5 2-passenger (5-speed), $14,548; SR-5 2-passenger (automatic), $15,418; SR-5 (5-speed), $15,248; SR-5 Turbo (automatic), $18,568. **Power disc brakes, radio** standard on all models. **Power steering** standard on SR-5 models.

LAND CRUISER — Wagon (4-speed), $17,198; wagon without rear seat (4-speed), $16,498. **Power steering, power disc brakes, radio** are standard.

All prices include dealer prep fee.

TOYOTA PICKUP TRUCKS

2-WHEEL DRIVE — Standard bed (4-speed), $6,598; standard bed (5-speed), $6,908; standard bed (automatic), $7,418; long bed (5-speed), $7,518; long bed (automatic), $8,028; Xtracab long bed (5-speed), $8,068; Xtracab long bed (automatic), $8,578; Deluxe long bed (5-speed), $7,868; Deluxe long bed (automatic), $8,378; Xtracab Deluxe long bed (5-speed), $8,578; Xtracab Deluxe long bed (automatic), $9,088; Xtracab SR-5 (5-speed), $10,188; Xtracab SR-5 (automatic), $10,698; Xtracab SR-5 Turbo (5-speed), $12,488; one-ton long bed (5-speed), $8,478; one-ton long bed (automatic), $8,988. **Power disc brakes** standard on all models. **Radio** standard on all models except standard-bed models. **Power steering** standard on SR-5 Turbo.

CAB-CHASSIS (2-wheel drive) — Single rear wheels, 112-inch wheelbase (4-speed), $7,768; single rear wheels, 112-inch wb (automatic), $8,438; dual rear wheels, 112-inch wb (4-speed), $8,188; dual rear wheels, 112-inch wb (automatic), $8,858; dual rear wheels, 137-inch wb (5-speed), $8,358; dual rear wheels, 137-inch wb (automatic), $9,358. **Power disc brakes, radio** standard on all models.

4-WHEEL DRIVE — Standard bed (5-speed), $9,548; Turbo standard bed (5-speed), $11,238; Deluxe long bed (5-speed), $10,598; Deluxe long bed (automatic), $11,748; Xtracab Deluxe (5-speed), $10,828; Xtracab Deluxe (automatic), $11,978; SR-5 standard bed (5-speed), $11,898; Xtracab SR-5 (5-speed), $12,368; Xtracab SR-5 (automatic), $13,288; Xtracab SR-5 Turbo (5-speed), $14,418. **Power disc brakes, radio** standard on all models. **Power steering** standard on SR-5 models.

All prices include dealer prep fee.

TVR

280i — Convertible, $25,713; coupe, $27,860. **4-speed transmission, power disc brakes, radio, air conditioning** standard on both models. **Automatic transmission** is $840.

VOLKSWAGEN

FOX — 2-door sedan, $5,690; 4-door sedan, $6,490. **4-speed transmission, power disc brakes** standard on both models.

GOLF — GL 2-door sedan, $8,390; GL 4-door sedan, $8,600; GT 2-door sedan, $9,975; GT 4-door sedan, $10,185. **5-speed transmission, power disc brakes** standard on all models. **Automatic transmission** is $460.

GTI (16-valve) — 2-door sedan, $12,240. **5-speed transmission, power steering, power disc brakes** are standard.

Golf and GTI models are built in the United States.

CABRIOLET — Convertible, $13,750. **5-speed transmission, power disc brakes, radio** are standard. **Automatic transmission** is $460.

JETTA — 2-door sedan, $9,590; 4-door sedan, $9,800; GL 4-door sedan, $10,340; GLI 4-door sedan, $12,100. **5-speed transmission, power disc brakes** standard on all models. **Power steering** standard on GLI. **Automatic transmission** is $460.

The base Jetta 4-door sedan is built in the United States.

SCIROCCO — Coupe (5-speed), $11,110; coupe (automatic), $11,560; coupe (16-valve, 5-speed), $13,500. **Power disc brakes** standard on all models. **Power steering** standard on 16-valve coupe.

QUANTUM — GL 4-door sedan, $15,510; 4-door wagon, $13,920; Syncro 4-door wagon, $17,230. **Power steering, power disc brakes, air conditioning** standard on all models. **Automatic transmission** is $475 on sedan and wagon, not available on Syncro wagon.

VANAGON — 5-seater CL version bus, $11,560; GL 7-seater, $15,320; Wolfsburg GL 7-seater, $16,650; GL Syncro 7-seater, $18,310; Camper, $17,325; Camper GL, $20,100; Camper Syncro, $20,315; Camper GL Syncro, $23,090. **4-speed transmission, power disc brakes** standard on all models. **Power steering** standard on all GL models. **Automatic transmission** is $475, not available on Syncro models.

Volkswagen prices do not include dealer prep fee.

VOLVO

240 SERIES — DL 4-door sedan (5-speed), $15,400; DL 4-door sedan (automatic), $15,945; DL 5-door wagon (5-speed), $15,890; DL 5-door wagon (automatic), $16,435; GL 4-door sedan (automatic), $18,095; GL 5-door wagon (automatic), $18,745. **Power steering, power disc brakes, air conditioning** standard on all models.

740 SERIES — GLE 4-door sedan (5-speed), $20,155; GLE 4-door sedan (automatic), $20,610; GLE 5-door wagon (5-speed), $21,565; GLE 5-door wagon (automatic), $22,020; Turbo 4-door sedan (5-speed), $22,135; Turbo 4-door sedan (automatic), $22,590; Turbo 5-door wagon, (5-speed), $22,735; Turbo 5-door wagon (automatic), $23,190. **Power steering, power disc brakes, radio, air conditioning** standard on all models.

760 SERIES — GLE 4-door sedan, $27,160; GLE Turbo 4-door sedan, $28,060; GLE Turbo 5-door wagon, $27,485. **Automatic transmission, power steering, power disc brakes, radio, air conditioning** standard on all models.

All prices include dealer prep fee.

YUGO

YUGO — GV 3-door hatchback, $3,990; GVL 3-door hatchback, $4,290; GVX 3-door hatchback, $4,990. **Power disc brakes** standard on all models.

Prices include dealer prep fee. ■

DOMESTIC PRICES

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Automatic Trans.	Power Steering	Power Brakes	Radio	Air Cond.
HONDA (U.S.-built models)										
Civic 4	8,580					738*	*	std.	**	**
Accord DX 4	10,795		10,120			545	std.	std.	**	**
Accord LX4	12,998					545	std.	std.	std.	std.
Accord LXi 4	14,680		13,160			545	std.	std.	std.	std.
*—Automatic Transmission price includes power steering on Civic 4-door sedan.										
**—Dealer-installed option. Honda does not quote a price.										
LINCOLN Town Car V-8 ('88 model)	23,126					std.	std.	std.	std.	std.
Town Car Signature V-8 ('88)	25,990					std.	std.	std.	std.	std.
Town Car Cartier V-8 ('88)	27,273					std.	std.	std.	std.	std.
Mark VII Bill Blass V-8 ('88)		25,016				std.	std.	std.	std.	std.
Mark VII LSC V-8 ('88)		25,016				std.	std.	std.	std.	std.
Continental V-8	25,484					std.	std.	std.	std.	std.
Continental Givenchy V-8	27,899					std.	std.	std.	std.	std.
MERCURY Lynx L 4			6,716			N.A.	N.A.	std.	39	N.A.
Lynx GS 4	7,308		7,094		7,590	490	235	std.	std.	688
Lynx XR3 4			8,942			N.A.	std.	std.	std.	688
Topaz GS 4	8,814	8,664				482	std.	std.	std.	773
Topaz GS Sport 4	9,469	9,319				482	std.	std.	std.	773
Topaz LS 4	10,293					482	std.	std.	std.	773
Sable GS V-6	12,340				12,904	std.	std.	std.	std.	788
Sable LS V-6	14,544				15,089	std.	std.	std.	std.	std.
Cougar LS V-6		13,630				std.	std.	std.	std.	std.
Cougar XR-7 V-8		15,660				std.	std.	std.	std.	std.
Grand Marquis	15,163					std.	std.	std.	std.	std.
Colony Park GS V-8					15,500	std.	std.	std.	std.	std.
Grand Marquis LS V-8	15,621	15,478				std.	std.	std.	std.	std.
Colony Park LS V-8					16,029	std.	std.	std.	std.	std.
NISSAN (U.S.-built models)										
Sentra 4		6,199				N.A.	N.A.	std.	*	715
Sentra E 4	7,899	7,499	7,349			760**	**	std.	*	715
Sentra XE 4	8,749	8,399	8,449		9,099	810‡	‡	std.	‡	715
Sentra GXE 4	9,699				10,049	460	std.	std.	std.	715
*—Radio on base Sentra and Sentra E is dealer-installed. Nissan does not quote a price.										
**—Automatic transmission price on Sentra E includes power steering and tilt steering wheel.										
‡—Automatic transmission price on Sentra XE includes power steering and radio.										
OLDSMOBILE Firenza 4	8,499	8,541	8,976			490	225	std.	std.	675
Firenza LC 4		9,639				490	std.	std.	std.	675
Firenza GT 4			11,034			490	std.	std.	std.	675
Firenza LX 4	9,407					490	std.	std.	std.	675
Firenza Cruiser 4					9,146	490	225	std.	std.	675
Calais 4	9,741	9,741				490	std.	std.	std.	675
Calais Supreme 4	10,397	10,397				490	std.	std.	std.	675
Cutlass Ciera 4	10,940	10,940				std.	std.	std.	std.	775
Cutlass Ciera Brougham 4	11,747	11,747				std.	std.	std.	std.	775
Cutlass Cruiser 4					11,433	std.	std.	std.	std.	775
Cutlass Cruiser Brougham 4					12,095	std.	std.	std.	std.	775
Cutlass Supreme V-6	11,539	11,539				std.	std.	std.	std.	775
Cutlass Supreme Brougham V-6	12,378	12,378				std.	std.	std.	std.	775
Cutlass Salon V-6		12,697				std.	std.	std.	std.	775
Delta 88 Royale V-6	13,639	13,639				std.	std.	std.	std.	std.
Delta 88 Royale Brougham V-6	14,536	14,536				std.	std.	std.	std.	std.
Custom Cruiser V-8					14,420	std.	std.	std.	std.	std.
98 Regency V-6	17,371					std.	std.	std.	std.	std.
98 Regency Brougham V-6	18,388	18,388				std.	std.	std.	std.	std.
98 Touring Sedan V-6	24,107					std.	std.	std.	std.	std.
Toronado V-6		19,938				std.	std.	std.	std.	std.
Toronado Trofeo V-6		21,933				std.	std.	std.	std.	std.

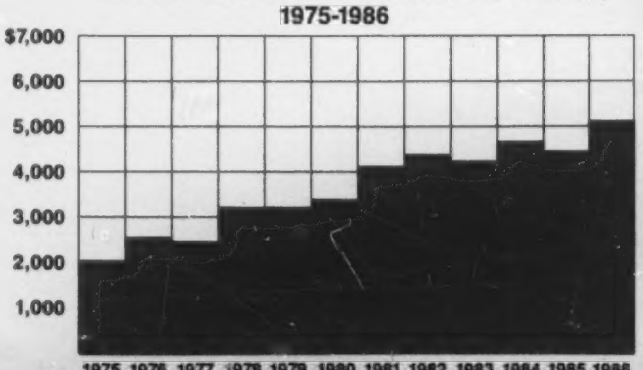
Continued on page 80

USED CAR PRICE TRENDS AT AUCTIONS, 1975-1986

Average prices of all cars at wholesale auctions

Auction year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1975	2,075	1,979	1,916	2,187	2,070	2,271	2,232	2,127	2,171	2,054	2,041	2,040
1976	2,263	2,422	2,351	2,496	2,786	2,716	2,506	2,787	2,563	2,708	2,802	2,692
1977	2,563	2,838	2,998	2,913	2,796	2,687	2,489	2,617	2,642	2,755	2,889	2,669
1978	2,840	3,048	3,167	3,271	3,326	3,172	3,210	3,386	3,168	3,139	3,162	3,271
1979	3,373	3,462	3,303	3,227	3,023	3,120	2,913	3,231	3,133	3,266	3,293	3,262
1980	3,175	3,207	3,112	3,102	3,183	3,349	3,289	3,649	3,545	3,665	3,795	3,589
1981	3,981	4,076	4,076	4,116	4,326	4,286	4,398	4,548	4,321	4,364	4,315	4,117
1982	4,904	4,687	4,781	4,710	4,799	4,708	4,885	4,910	4,807	4,513	4,569	4,505
1983	4,646	4,733	5,010	5,069	5,173	5,138	5,172	5,159	5,190	5,241	5,059	4,308
1984	5,359	5,340	5,162	5,418	5,372	5,436	5,560	5,189	4,894	4,984	5,118	4,863
1985	4,992	4,782	4,928	4,961	5,203	5,296	4,815	5,172	4,883	4,759	4,714	4,559
1986	4,651	4,811	4,932	5,093	5,143	5,194	5,196	5,237	5,206	5,195	5,181	5,129
1987	5,494	5,711										

DECEMBER WHOLESALE AVERAGE PRICES, 1975-1986



PRICES

DOMESTIC PRICES

Continued from page 79

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Automatic Trans.	Power Steering	Power Brakes	Radio	Air Cond.
PLYMOUTH Horizon America 4	5,799					*	*	std.	*	701
Turismo 4			7,199			*	*	std.	*	701
Sundance 4	7,799		7,599			529	std.	std.	std.	694
Reliant 4	7,879	7,879				529	240	std.	std.	782
Reliant LE 4	8,364	8,364			8,808	529	240	std.	std.	782
Caravelle 4	9,813					std.	std.	std.	std.	782
Caravelle SE 4	10,527					std.	std.	std.	std.	782
Gran Fury Salon V-8	10,598					std.	std.	std.	std.	837
*—Part of option packages for Horizon America and Turismo. Items are not priced separately.										
PONTIAC 1000 4	6,099		5,959			450	225	105	std.	675
Sunbird 4	7,999				8,529	415	225	std.	122	675
Sunbird SE 4		7,979	8,499			415	225	std.	122	675
Sunbird SE Conv. 4				13,799		415	std.	std.	std.	675
Sunbird GT 4	10,349	10,299	10,699	15,569		415	std.	std.	std.	675
Fiero 4		8,299				490	N.A.	std.	122	775
Fiero Sport Coupe 4		9,989				490	N.A.	std.	std.	775
Fiero SE 4		11,239				490	N.A.	std.	std.	775
Fiero GT V-6		13,489				490	N.A.	std.	std.	775
Grand Am 4	9,499	9,299				490	std.	std.	std.	675
Grand Am LE 4	10,199	9,999				490	std.	std.	std.	675
Grand Am SE V-6	12,899	12,659				std.	std.	std.	std.	675
Firebird V-6		10,359				490	std.	std.	std.	775
Firebird Trans Am V-8		13,259				490	std.	std.	std.	775
6000 4	10,499	10,499			10,899	std.	std.	std.	std.	775
6000 LE 4	11,099				11,499	std.	std.	std.	std.	775
6000 SE V-6	12,389				13,049	std.	std.	std.	std.	775
6000 STE V-6	18,099					std.	std.	std.	std.	std.
Grand Prix V-6		11,069				std.	std.	std.	std.	775
Grand Prix LE V-6		11,799				std.	std.	std.	std.	775
Grand Prix Brougham V-6		12,519				std.	std.	std.	std.	775
Bonneville V-6	13,399					std.	std.	std.	std.	std.
Bonneville LE V-6	14,866					std.	std.	std.	std.	std.
Safari V-8					13,959	std.	std.	std.	std.	std.
RENAULT (U.S.-built models)										
Alliance 4	6,599	6,399	6,399			483	234	std.	96	705
Alliance L 4	7,200	6,925				483	234	std.	std.	705
Alliance L Conv. 4				11,099		483	234	std.	std.	705
Alliance L Hatchback 4	7,250		6,975			483	234	std.	std.	705
Alliance DL 4	7,900	7,625				380	234	std.	std.	705
Alliance DL Conv. 4				12,099		380	234	std.	std.	705
Alliance DL Hatchback 4	7,950		7,675			380	234	std.	std.	705
Alliance GS 4			8,499			380	234	std.	std.	705
Alliance GTA 4		8,999		12,899		380	std.	std.	std.	705
TOYOTA (U.S.-built models)										
Corolla FX 4			7,878			440	240	std.	300*	745
Corolla FX-16 4			9,678			690	std.	std.	300*	745
Corolla FX-16 GTS 4			10,668			690	std.	std.	300*	745
*—Radio is AM-Stereo, FM-Stero ETR unit.										
VOLKSWAGEN (U.S.-built models)										
Golf GL 4	8,600		8,390			460	250	std.	305*	740
Golf GT 4	10,185		9,975			460	250	std.	305*	740
GTI 4			12,240			N.A.	std.	std.	305*	740
Jetta 4	9,800					460	280	std.	595*	795
*—Radio is AM-FM Stereo unit. Jetta radio price includes cassette player.										

COMPARING PRICES — 1987 vs. 1986

	March 25, 1987	March 25, 1986
SUBCOMPACTS		
Chevette 2-dr.	$4,995	$5,645
Omni 4-dr.	5,700	6,209
Horizon 4-dr.	5,799	6,209
Chevette 4-dr.	5,495	5,959
Pontiac 1000 2-dr.	5,959	5,749
Pontiac 1000 4-dr.	6,099	5,969
Sentra 2-dr.	6,199	5,999
Alliance 2-dr.	6,399	5,999
Escort Pony 2-dr.	6,586	6,052
Alliance 4-dr.	6,599	6,199
Lynx 2-dr.	6,716	6,472
Alliance L 2-dr.	6,925	6,510
Escort GL 2-dr.	6,949	6,327
Lynx GS 2-dr.	7,094	7,162
Escort GL 4-dr.	7,163	6,541
Charger 2-dr.	7,199	6,787
Turismo 2-dr.	7,199	6,787
Alliance L 4-dr.	7,200	6,760
Lynx GS 4-dr.	7,308	7,376
Escort GL wagon	7,444	6,822
Shadow 2-dr.	7,499	.....
Lynx GS wagon	7,590	7,657
Sundance 2-dr.	7,599	.....
Shadow 4-dr.	7,699	.....
Escort EXP 2-dr.	7,745	7,186
Sundance 4-dr.	7,799	.....
Corolla FX 2-dr.	7,878	.....
Sentra E 4-dr.	7,899	7,399
Nova 4-dr.	8,258	7,435
Fiero 2-dr.	8,299	8,949
Golf GL 2-dr.	8,390	7,150
Civic 4-dr. sed.	8,455	7,993
Golf GL 4-dr.	8,600	7,200
Sentra XE wagon	9,099	8,499
Corolla FX-16 2-dr.	9,678	.....
Daytona 2-dr.	9,799	9,013
Fiero Sport 2-dr.	9,989	9,449
GTI 2-dr.	12,240	9,350
COMPACTS (2-door models, unless otherwise noted)		
Cavalier 4	$7,255	$6,706
Aries 4	7,879	7,184
Reliant 4	7,879	7,184
Sunbird 4	7,979	7,469
Tempo 4	8,160	7,358
Mustang 4	8,271	7,189
Skyhawk 4	8,522	7,844
Firenza 4	8,541	7,782
Topaz 4	8,664	8,085
Accord 4	9,695	9,195
Jetta 4	9,800	8,370
Camaro V-6	9,995	8,935
Firebird V-6	10,359	9,279
LeBaron 4 (4-dr.)	10,707	10,127
Eagle 6 (4-dr.)	11,485	10,836
Cimarron 4 (4-dr.)	15,032	13,128
COMPACT WAGONS (4-door models)		
Cavalier 4	$7,615	$7,047
Sunbird 4	8,529	7,879
Aries 4	8,808	8,186
Reliant 4	8,808	8,186
Firenza 4	9,146	8,259
Skyhawk 4	9,249	8,426
LeBaron Town & Ctry. 4	12,255	11,370
Eagle 6	12,301	11,606
INTERMEDIATES (2-door models, unless otherwise noted)		
Corsica 4 (4-dr.)	$8,995	.....
Grand Am 4	9,299	$8,549
Beretta 4	9,555	.....
Calais 4	9,741	9,283
Caravelle 4 (4-dr.)	9,813	9,241
Lancer 4 (4-dr.)	9,852	9,426
Somerset 4	9,957	9,425
Celebrity 4	9,995	8,735
Dodge 600 4 (4-dr.)	10,010	9,370
LeBaron GTS 4 (4-dr.)	10,152	9,754
Pontiac 6000 4	10,499	9,549
Taurus 4 (4-dr.)	10,650	9,645
Century 4	10,844	10,052
Cutlass Ciera 4	10,940	10,153
Grand Prix V-6	11,069	10,259
LeBaron J 4	11,295	.....
Monte Carlo V-6	11,306	10,241
Cutlass Supreme V-6	11,539	10,698
Regal V-6	11,562	10,654
Sable V-6 (4-dr.)	12,340	10,700
Thunderbird V-6	13,028	11,020
Cougar V-6	13,630	11,421
New Yorker 4 (4-dr.)	14,396	13,409
INTERMEDIATE WAGONS (4-door models)		
Celebrity 4	$10,425	$9,081
Pontiac 6000 4	10,899	10,095
Cutlass Cruiser 4	11,433	10,734
Century 4	11,478	10,648
Taurus V-6	11,870	10,824
Sable V-6	12,904	11,837
STANDARD-SIZE (4-door models)		
Plym. Gran Fury V-8	$10,598	$10,086
Dodge Diplomat V-8	10,598	10,086
Chevrolet Caprice V-6	10,995	10,243
Pont. Bonneville V-6*	13,399	11,169
Buick LeSabre V-6	13,438	122,511
Olds Delta Royale V-6	13,639	12,760
Ford Crown Vic. V-8	14,349	12,562
Merc. Grd. Marquis V-8	15,163	13,504
*—Parisienne in 1986.		
STANDARD-SIZE WAGONS (4-door, V-8)		
Chevrolet Caprice	$11,995	$11,511
Pontiac Safari*	13,959	11,799
Ford Crown Victoria	14,315	12,405
Olds Custom Cruiser	14,420	13,416
Ford Country Squire	14,567	12,655
Buick LeSabre Estate	14,724	13,622
Mercury Colony Park	15,500	13,724
Buick Electra Estate	17,697	16,402
*—Parisienne in 1986.		
LUXURY CARS		
Chrysler Fifth Ave. 4-dr.	$15,966	$14,910
Buick Electra 4-dr.	16,902	15,588
Olds 98 4-dr.	17,371	15,989
Olds Toronado 2-dr.	19,938	19,418
Buick Riviera 2-dr.	20,337	19,831
Cadillac DeVille 4-dr.	21,659	19,990
Cadillac Brougham 4-dr.	22,637	21,265
Lincoln Town Car 4-dr.	23,126	20,674
Cadillac Eldorado 2-dr.	23,740	24,251
Lincoln Mark VII 2-dr.	25,016	22,399
Linc. Continental 4-dr.	25,484	24,556
Cadillac Seville 4-dr.	26,326	26,756
Chev. Corvette 2-dr.	27,999	27,027
Cadillac Limousine	36,510	33,895
Cadillac Allante Conv.	54,700	.....
CONVERTIBLES		
Alliance L 4	$11,099	$10,557
Alliance DL 4	12,099	11,557
Alliance GTA 4	12,899	.....
Mustang LX 4	13,052	12,879
Cavalier RS 4	13,446	12,530
Sunbird SE 4	13,799	12,779
Sunbird GT 4	15,569	14,399
Mustang GT V-8	15,852	14,610
Corvette V-8	33,172	32,038
Allante V-8	54,700	.....

Comparison of selected 1987 and 1986 domestic models by market class. Prices are Manufacturers' Suggested Retail Prices in effect on March 25 of each year.

No adjustment has been made for year-to-year equipment changes or dealer-discount changes or for standard-equipment variations among competing models. If there is no entry in the 1986 column, it means that the 1987 model is or had no direct counterpart in 1986.

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PRICE AVERAGES BY MONTH AND CAR MODEL YEAR AT AUCTIONS, 1986 AND 1985

1986

Car Model year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1986	$8,769	$10,059	$10,173	$11,490	$11,292	$12,183	$12,574	$12,136	$11,846	$11,574	$11,299	$11,149
1985	8,509	8,655	8,774	8,803	8,650	8,558	8,522	8,520	8,472	8,414	8,286	8,144
1984	5,943	6,158	6,248	6,363	6,384	6,342	6,259	6,242	6,221	6,215	6,186	6,142
1983	5,206	5,232	5,370	5,515	5,516	5,530	5,501	5,502	5,459	5,442	5,420	5,386
1982	4,136	4,089	4,213	4,308	4,361	4,363	4,358	4,337	4,261	4,216	4,190	4,141
1981	3,163	3,302	3,382	3,458	3,423	3,422	3,395	3,388	3,333	3,277	3,244	3,177
1980	2,402	2,478	2,477	2,516	2,560	2,561	2,528	2,505	2,463	2,424	2,387	2,349
1979	1,954	2,348	2,246	2,199	2,195	2,172	2,164	2,145	2,109	2,086	2,069	2,035
Overall Average	$ 4,651	$ 4,811	$ 4,932	$ 5,093	$ 5,143	$ 5,194	$ 5,196	$ 5,237	$ 5,206	$ 5,196	$ 5,181	$ 5,129

1985

Car Model year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1985	$11,375	$14,691	$12,924	$11,744	$11,515	$11,181	$10,804	$11,068	$10,176	$ 9,706	$ 9,989	$ 9,839
1984	8,726	8,850	9,046	8,522	8,553	8,061	7,727	7,766	7,430	6,891	6,690	6,514
1983	5,978	6,171	6,028	6,464	6,474	6,306	5,971	5,923	6,177	6,047	5,820	5,594
1982	5,343	5,185	5,332	5,228	5,381	5,544	5,326	5,094	4,860	4,870	4,752	4,507
1981	4,350	4,049	2,623	3,323	4,399	4,536	4,141	4,228	3,991	3,591	3,543	3,474
1980	3,600	3,301	3,474	3,511	3,226	3,528	3,245	3,165	3,008	2,896	2,738	2,694
1979	2,771	2,742	2,809	2,622	2,706	2,953	2,590	2,585	2,519	2,404	2,254	2,207
1978	2,117	1,907	1,578	1,938	2,039	2,114	2,139	2,099	2,099	1,848	1,765	1,696
Overall Average	$ 4,992	$ 4,782	$ 4,928	$ 4,961	$ 5,203	$ 5,296	$ 4,815	$ 5,172	$ 4,883	$ 4,759	$ 4,714	$ 4,559

OPTIONS/EQUIPMENT

The number of factory-installed options on cars continued to climb in the 1986 model year.

The most popular items were power steering, power brakes, tinted glass and steel-belted radial tires, which appeared on more than 90 percent of U.S.-built cars.

Close behind in popularity were automatic transmissions, air conditioning, intermittent windshield wipers, digital clocks, reclining seats, cloth seats and rear window defrosters.

Air conditioning installations declined in '86, going into 75.16 percent of cars produced compared to 83.69 percent in '85.

The most notable option upswing in the '86 model year was AM/FM stereos with cassette, which climbed to a 41.94 percent installation rate from 34.37 percent in '85.

Other options that continued to rise steadily in popularity during the '86 model year were fuel injection, tilt steering wheels, rear window defrosters and power side windows.

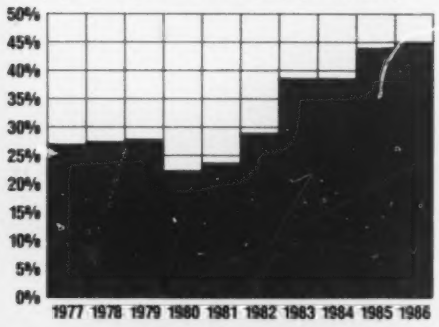
Falling steeply in '86 were diesel engines and AM radios. Also declining in '86 were eight-cylinder gasoline engines, getting a 20.29-percent market share in '86 versus 25.94 percent in '85.

On the other hand, four-cylinder engines went into 49.52 percent of the cars built in 1986, up from 46.67 percent in '85.

Most optional-equipment installation figures in this chapter are for 1986-model passenger car production in the United States, although some include cars built in Canada. ■

POWER SIDE WINDOW INSTALLATIONS

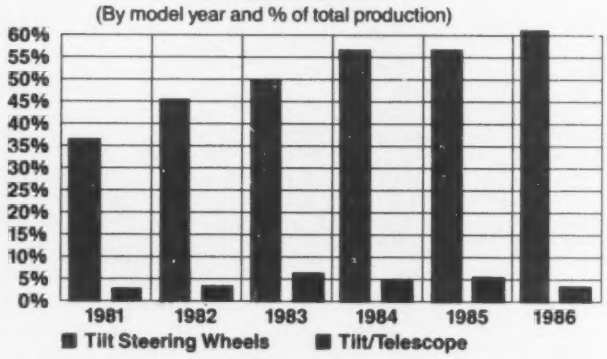
(By model year and % of total production)



Installations of power side windows continued to rise in 1986. More than 45 percent of cars built in the United States last year had power side windows installed. See table on page 88.

TILT AND TILT/TELESCOPE STEERING WHEEL INSTALLATIONS

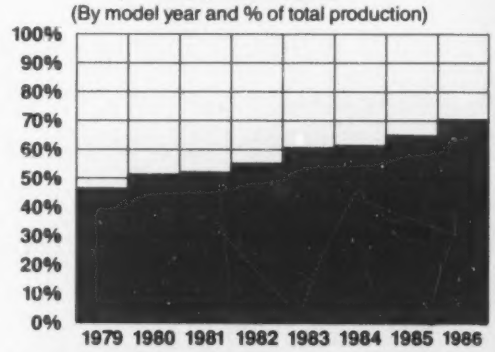
(By model year and % of total production)



Tilt-wheel installations took a leap, topping the 62-percent mark. However, combination tilt/telescope wheels fell off slightly in 1986. See table on page 91.

REAR-WINDOW DEFROSTER INSTALLATIONS

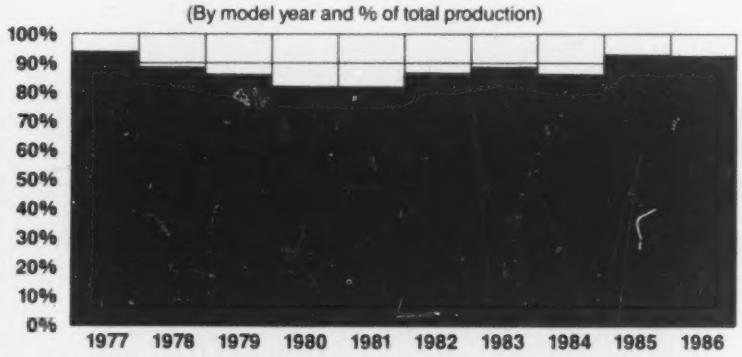
(By model year and % of total production)



Rear window defrosters continued to be a popular option in 1986; nearly 72 percent of U.S. cars produced had them installed. See table on page 88.

POWER STEERING INSTALLATIONS

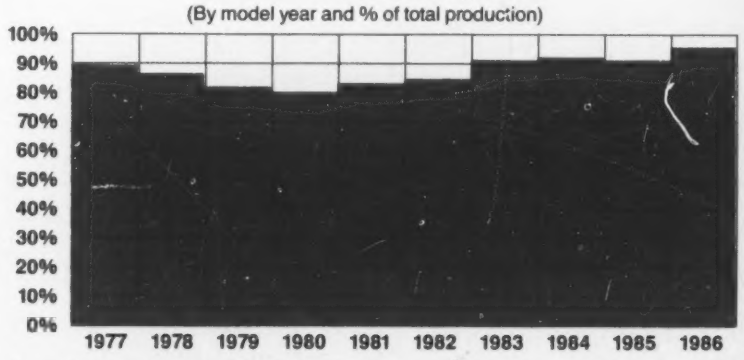
(By model year and % of total production)



Power steering installations in 1986 ran about the same as the previous year — just over 92 percent. See table on page 88.

POWER BRAKE INSTALLATIONS

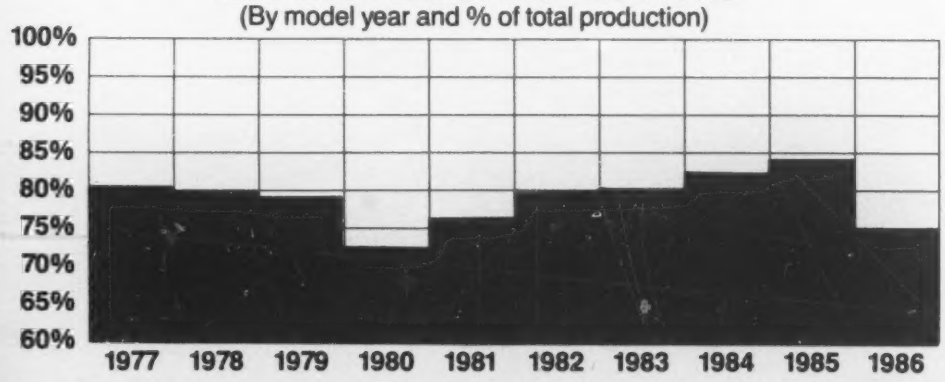
(By model year and % of total production)



Power brake installations in 1986 took more than a 5-percentage-point jump over 1985 — 97.30 percent versus 91.83 percent. See table on page 88.

AIR CONDITIONING INSTALLATIONS

(By model year and % of total production)



Air conditioning installations nose-dived to 75.16 percent in 1986, versus 83.69 percent in 1985. See table on page 96.

TRENDS IN TIRES AND AIR CONDITIONING

Percentages of model-year production

Steel-Belted Radials

	Units	%
1986	7,879,458	96.14
1985	7,360,588	91.75
1984	7,349,298	87.60
1983	4,371,530	73.10
1982	3,947,008	69.10
1981	4,726,896	69.90
1980	4,927,895	68.90
1979	7,029,705	75.20
1978	6,765,427	73.90

Glass-Belted Radials

	Units	%
1986	316,174	3.86
1985	166,309	2.07
1984	1,058,608	12.60
1983	1,600,992	26.70
1982	1,575,541	28.10
1981	2,012,336	29.70
1980	1,891,158	26.40
1979	1,581,983	16.90
1978	832,694	9.10

White Sidewalls

	Units	%
1986	4,126,613	50.35
1985	5,303,399	66.10
1984	2,558,142	30.40
1983	4,565,653	76.30
1982	3,408,972	59.70
1981	5,512,389	81.50
1980	6,140,605	85.90
1979	8,426,449	90.10
1978	8,315,505	90.90

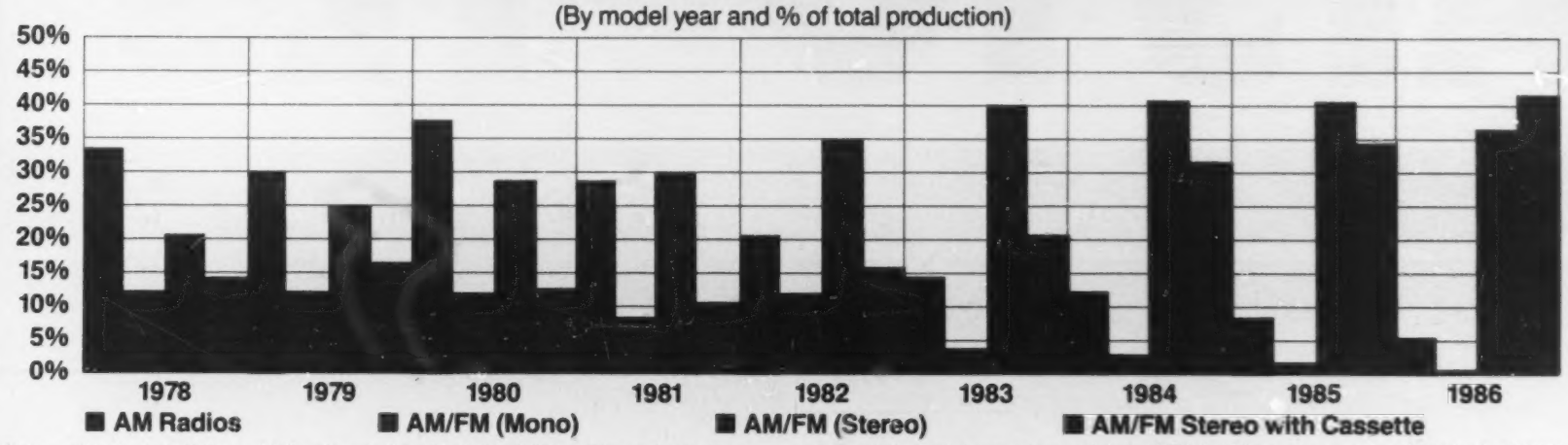
Air Conditioning

	Units	%
1986	6,159,745	75.16
1985	6,714,306	83.69
1984	6,857,866	82.70
1983	4,866,838	80.90
1982	4,585,627	80.20
1981	5,186,776	76.50
1980	5,181,365	72.50
1979	7,449,352	79.70
1978	7,352,117	80.40

OPTIONS/EQUIPMENT

RADIO INSTALLATIONS, 1978-1986

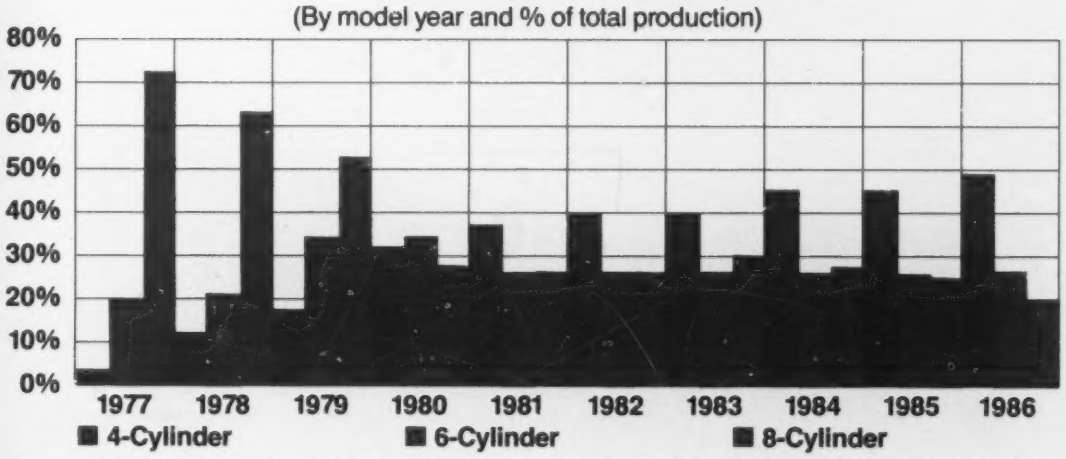
(By model year and % of total production)



Not surprisingly, installations of AM radios continued to fall in 1986, settling to the 5.10-percent mark. Popularity of AM/FM mono units also continued to wane. Installations of AM/FM stereos fell about 5 percentage points in 1986, but there was a concomitant rise in AM/FM cassette stereo installations. See table on page 92.

GASOLINE ENGINE INSTALLATIONS, 1977 – 1986

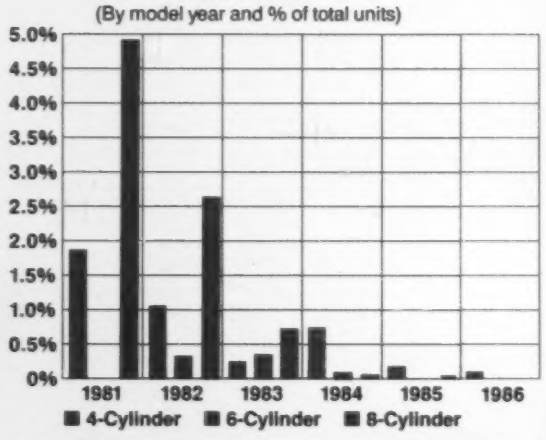
(By model year and % of total production)



In the engine department, installations of four-bangers rose nearly 3 percentage points in 1986 to 49.52 percent of total production. Sixes were up only slightly from 1985, and V-8 installation fell more than 5 points to wind up with 20.29 percent of production. See table on page 93.

DIESEL ENGINE INSTALLATIONS, 1981 – 1986

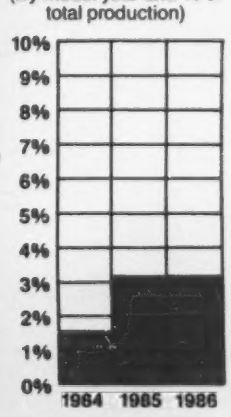
(By model year and % of total units)



Are we witnessing the death of the domestic diesel? No six- or eight-cylinder diesels were installed in 1986, and four-cylinder diesels were installed in only 0.22 percent of total production. It looks as though only another fuel crisis will resurrect the American diesel engine. See table on page 93.

TURBOCHARGER INSTALLATIONS

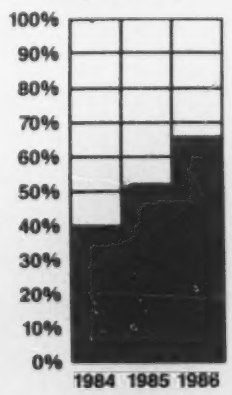
(By model year and % of total production)



Turbocharger installation leveled off at 3.20 percent in 1986. See table on page 93.

FUEL-INJECTION INSTALLATIONS

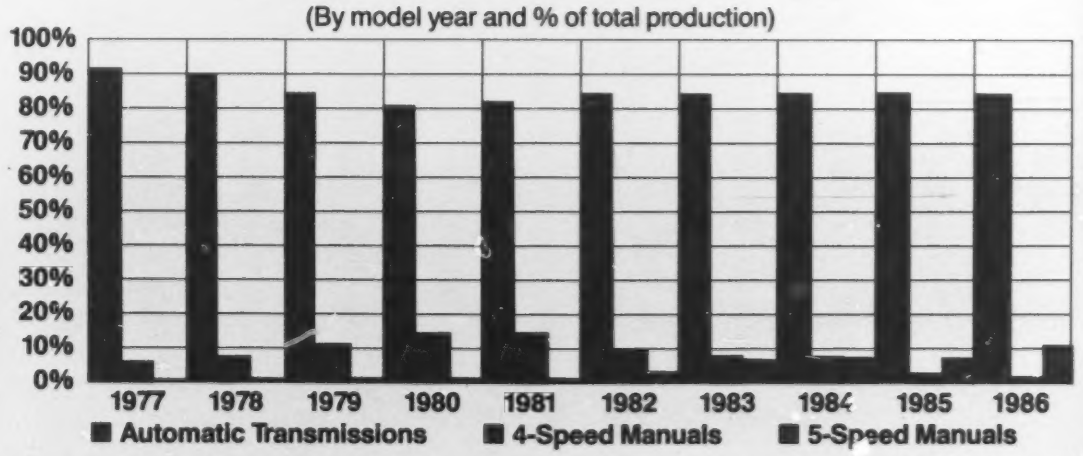
(By model year and % of total production)



Fuel-injection continued to gain ground on carburetion, taking nearly 66 percent of total production in 1986. See table on page 93.

TRANSMISSION INSTALLATIONS, 1977 – 1986

(By model year and % of total production)



Automatics are still the transmissions of choice, taking about 85 percent of total production in 1985 and 1986. Is the drop in installations of four-speed manuals (to 3.86 percent) and the rise in five-speed manuals (to 11.16 percent) indicative of American automakers' fascination with Eurostyling? See table on page 91.

OPTIONS/EQUIPMENT

ROOF, PAINT OPTIONS ON 1986 U.S. MODELS

	Vinyl Roofs	Percent of Output	Electric Side Sunroofs	Percent of Output	Pop-Up Sunroofs	Percent of Output	T-Roofs	Percent of Output	Two-Tone Paint	Percent of Output	Convertible Top Models	Percent of Output
AMERICAN MOTORS	0	0.00	0	0.00	3,139	4.30	0	0.00	1,651	2.26	0	0.00
Eagle*	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Renault Total	0	0.00	0	0.00	3,139	4.84	0	0.00	1,651	2.55	0	0.00
Alliance	0	0.00	0	0.00	2,417	4.33	0	0.00	1,651	2.96	0	0.00
Encore	0	0.00	0	0.00	722	7.98	0	0.00	0	0.00	0	0.00
CHRYSLER MOTORS	227,958	19.50	1,759	0.15	39,671	3.39	12,158	1.04	77,909	6.67	100,956	8.64
Plymouth Total	2,085	0.59	0	0.00	3,829	1.09	0	0.00	0	0.00	8,546	2.44
Horizon	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4,775	4.88
Turismo	0	0.00	0	0.00	3,829	3.25	0	0.00	0	0.00	2,931	6.32
Reliant	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Caravelle	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Gran Fury	2,085	23.35	0	0.00	0	0.00	0	0.00	0	0.00	840	9.40
Chrysler Total	203,694	55.37	1,677	0.46	13,446	3.65	5,851	1.59	58,641	15.94	19,758	5.37
Laser	0	0.00	0	0.00	7,450	17.24	5,851	13.54	0	0.00	0	0.00
LeBaron K	68,775	71.08	0	0.00	0	0.00	0	0.00	20,886	21.59	4,786	4.95
LeBaron GTS	0	0.00	0	0.00	5,996	7.18	0	0.00	37,755	45.23	5,441	6.52
New Yorker/E-Class	59,533	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Fifth Avenue	75,386	88.78	1,677	1.97	0	0.00	0	0.00	0	0.00	9,531	11.22
Dodge Total	22,179	4.92	82	0.02	22,396	4.97	6,307	1.40	19,268	4.28	72,653	16.13
Omni	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4,382	5.09
Charger	0	0.00	0	0.00	8,688	17.15	0	0.00	0	0.00	10,695	21.11
Aries	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Daytona	0	0.00	0	0.00	10,170	21.75	6,307	13.49	0	0.00	46,761	100.00
Dodge 600	13,732	19.63	0	0.00	0	0.00	0	0.00	19,268	27.54	3,712	5.31
Lancer	0	0.00	0	0.00	3,539	6.25	0	0.00	0	0.00	7,102	12.54
Diplomat	8,448	46.54	82	0.45	0	0.00	0	0.00	0	0.00	0	0.00
FORD MOTOR	281,826	13.79	35,089	1.72	29,371	1.44	16,456	0.81	24,987	1.22	116,363	5.70
Ford Division	74,793	5.43	0	0.00	25,719	1.87	14,922	1.08	24,987	1.81	68,576	4.98
Escort/EXP	0	0.00	0	0.00	10,700	2.74	0	0.00	0	0.00	18,955	4.86
Tempo	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	17,630	10.62
Mustang	0	0.00	0	0.00	15,020	6.69	14,922	6.65	24,987	11.13	10,273	4.58
Thunderbird	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	11,601	7.08
Taurus	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Crown Victoria*	73,402	59.18	0	0.00	0	0.00	0	0.00	0	0.00	5,967	4.81
LTD	1,390	1.92	0	0.00	0	0.00	0	0.00	0	0.00	4,151	5.73
L-M Division	207,033	31.11	35,089	5.27	3,652	0.55	1,534	0.23	0	0.00	47,786	7.18
Mercury Total	106,339	20.91	19,591	3.85	3,652	0.72	1,534	0.30	0	0.00	34,733	6.83
Lynx	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3,793	5.30
Topaz	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4,528	9.70
Capri	0	0.00	0	0.00	3,652	17.50	1,534	7.35	0	0.00	0	0.00
Marquis	600	2.10	0	0.00	0	0.00	0	0.00	0	0.00	2,105	7.37
Cougar	6,252	4.60	0	0.00	0	0.00	0	0.00	0	0.00	15,765	11.60
Grand Marquis*	99,487	90.92	19,591	17.90	0	0.00	0	0.00	0	0.00	8,542	7.81
Sable	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Lincoln Total	100,695	64.20	15,498	9.88	0	0.00	0	0.00	0	0.00	13,053	8.32
Mark VII	0	0.00	5,585	27.85	0	0.00	0	0.00	0	0.00	2,477	12.35
Continental	0	0.00	2,616	13.76	0	0.00	0	0.00	0	0.00	4,409	23.19
Lincoln	100,695	85.50	7,298	6.20	0	0.00	0	0.00	0	0.00	6,167	5.24
GENERAL MOTORS	574,493	13.01	25,238	0.57	237,947	5.39	68,310	1.55	3,260	0.07	408,493	9.25
Buick Total	101,753	11.97	7,089	0.83	13,058	1.54	3,776	0.44	0	0.00	54,001	6.35
Regal	53,536	58.68	2,163	2.37	0	0.00	3,776	4.14	0	0.00	5,920	6.49
LeSabre (fwd)	16,883	17.78	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Skyhawk	0	0.00	0	0.00	6,148	6.72	0	0.00	0	0.00	9,107	9.96
Somerset/Skylark	0	0.00	0	0.00	3,232	2.34	0	0.00	0	0.00	15,665	11.36
Century	6,534	2.38	0	0.00	3,678	1.34	0	0.00	0	0.00	20,811	7.58
LeSabre/Electra (rwd)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Electra (fwd)	24,800	20.69	2,010	1.68	0	0.00	0	0.00	0	0.00	0	0.00
Riviera	0	0.00	2,916	13.17	0	0.00	0	0.00	0	0.00	2,498	11.28
Cadillac Total	79,017	28.05	6,833	2.43	3,132	1.11	0	0.00	0	0.00	15,433	5.48
Cimarron	0	0.00	0	0.00	3,132	12.77	0	0.00	0	0.00	0	0.00
Seville	0	0.00	1,408	7.37	0	0.00	0	0.00	0	0.00	7,284	38.14
Eldorado	0	0.00	1,458	6.83	0	0.00	0	0.00	0	0.00	8,149	38.18
Fleetwood	49,137	100.00	2,257	4.59	0	0.00	0	0.00	0	0.00	0	0.00
DeVille (fwd)	29,880	17.83	1,710	1.02	0	0.00	0	0.00	0	0.00	0	0.00
Chevrolet Total	122,370	8.94	0	0.00	128,181	9.36	0	0.00	0	0.00	108,175	7.90
Chevette	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	5,059	4.90
Cavalier	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	23,334	5.40
Celebrity	6,291	2.60	0	0.00	0	0.00	0	0.00	0	0.00	26,371	10.90
Camaro	0	0.00	0	0.00	89,959	46.80	0	0.00	0	0.00	4,613	2.40
Monte Carlo	24,200	20.30	0	0.00	18,597	15.60	0	0.00	0	0.00	11,683	9.80
Caprice	91,879	37.50	0	0.00	0	0.00	0	0.00	0	0.00	33,322	13.60
Corvette	0	0.00	0	0.00	19,625	55.90	0	0.00	0	0.00	3,792	10.80
Oldsmobile Total	187,592	17.85	6,628	0.63	10,706	1.02	5,856	0.56	0	0.00	35,646	3.39
Firenza	0	0.00	0	0.00	1,645	3.52	0	0.00	0	0.00	3,994	8.55
Calais	0	0.00	0	0.00	4,681	3.09	0	0.00	0	0.00	11,314	7.48
Cutlass Ciera	25,703	8.94	0	0.00	4,379	1.52	0	0.00	0	0.00	10,982	3.82
Cutlass Supreme	79,608	47.02	2,607	1.54	0	0.00	5,856	3.46	0	0.00	4,106	2.43
Delta 88	46,719	19.94	0	0.00	1	.00	0	0.00	0	0.00	3,677	1.57
88 (rwd-wgn)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Olds 98	35,561	28.55	1,820	1.46	0	0.00	0	0.00	0	0.00	1,572	1.26
Toronado	0	0.00	2,202	13.83	0	0.00	0	0.00	0	0.00	0	0.00
Pontiac Total	83,761	9.71	4,688	0.54	82,870	9.60	58,678	6.80	3,260	0.38	195,238	22.62
1000	0	0.00	0	0.00	1,122	5.17	0	0.00	0	0.00	0	0.00
2000 Sunbird	0	0.00	0	0.00	10,407	7.70	0	0.00	3,260	2.41	24,170	17.89
Fiero	0	0.00	0	0.00	50,230	59.82	0	0.00	0	0.00	0	0.00
Grand Am	0	0.00	0	0.00	13,991	6.26	0	0.00	0	0.00	84,387	37.74
Grand Prix*	21,558	48.68	1,601	3.62	0	0.00	3,557	8.03	0	0.00	4,090	9.24
Bonneville*	13,331	32.57	0	0.00	0	0.00	0	0.00	0	0.00	4,028	9.84
Firebird	0	0.00	0	0.00	0	0.00	55,121	49.89	0	0.00	43,407	39.29
Parisienne	47,155	55.42	1,468	1.72	0	0.00	0	0.00	0	0.00	8,335	9.80
6000	1,718	1.46	1,619	1.37	7,120	6.04	0	0.00	0	0.00	26,822	22.75
HONDA	0	0.00	107,207	59.20	0	0.00	0	0.00	0	0.00	0	0.00
Civic	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Accord	0	0.00	107,207	60.15	0	0.00	0	0.00	0	0.00	0	0.00
NISSAN	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NUMMI (Nova)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	13,248	7.40
VOLKSWAGEN	0	0.00	0	0.00	31,722	37.17	0	0.00	0	0.00	0	0.00
Total Cars, U.S.	1,084,277	13.23	169,293	2.07	341,851	4.17	96,924	1.18	107,807	1.32	639,060	7.80

*—Based on North American production

OPTIONS/EQUIPMENT

POWER EQUIPMENT, BRAKE, GLASS OPTIONS ON 1986 U.S. MODELS

	Tinted glass	Percent of output	Power steering	Percent of output	Power brakes	Percent of output	Anti-lock braking system (ABS)	Percent of output	4-wheel disc brakes	Percent of output	Power side windows	Percent of output	Rear window defroster	Percent of output	Power locks	Percent of output	Power side mirrors	Percent of output
AMERICAN MOTORS	49,490	67.71	48,437	66.27	73,090	100.00	0	0.00	0	0.00	1,558	2.13	49,327	67.49	7,005	9.58	7,249	9.92
Eagle*	7,749	94.30	8,217	100.00	8,217	100.00	0	0.00	0	0.00	1,558	18.96	7,790	94.80	3,782	46.03	7,249	88.22
Renault Total	41,741	64.34	40,220	62.00	64,873	100.00	0	0.00	0	0.00	0	0.00	41,537	64.03	3,223	4.97	0	0.00
Alliance	35,190	63.04	34,736	62.23	55,821	100.00	0	0.00	0	0.00	0	0.00	34,517	61.84	2,801	5.02	0	0.00
Encore	6,552	72.38	5,484	60.58	9,052	100.00	0	0.00	0	0.00	0	0.00	7,020	77.56	422	4.66	0	0.00
CHRYSLER MOTORS	1,152,978	98.54	1,086,665	92.97	1,161,459	99.37	0	0.00	0	0.00	342,002	29.26	865,334	74.03	357,195	30.56	302,104	25.85
Plymouth Total	342,045	97.57	325,667	92.90	350,573	100.00	0	0.00	0	0.00	13,838	3.95	254,630	72.63	27,653	7.89	27,498	7.84
Horizon	97,778	100.00	85,434	87.38	97,778	100.00	0	0.00	0	0.00	0	0.00	76,422	78.16	0	0.00	0	0.00
Turismo	46,392	100.00	41,430	89.30	46,392	100.00	0	0.00	0	0.00	0	0.00	34,487	74.34	0	0.00	0	0.00
Reliant	144,834	94.44	150,835	98.35	153,362	100.00	0	0.00	0	0.00	0	0.00	100,896	65.79	13,194	8.60	0	0.00
Caravelle	44,110	100.00	39,038	88.50	44,110	100.00	0	0.00	0	0.00	12,058	27.34	35,769	81.09	12,058	27.34	27,498	62.34
Gran Fury	8,931	100.00	8,931	100.00	8,931	100.00	0	0.00	0	0.00	1,780	19.93	7,057	79.01	2,402	26.90	0	0.00
Chrysler Total	367,898	100.00	335,465	91.18	367,898	100.00	0	0.00	0	0.00	252,199	68.55	300,837	81.77	243,288	66.13	224,250	60.95
Laser	43,210	100.00	43,210	100.00	43,210	100.00	0	0.00	0	0.00	18,348	42.46	39,510	91.44	14,766	34.17	21,022	48.65
LeBaron K	96,760	100.00	81,820	84.56	96,760	100.00	0	0.00	0	0.00	51,646	53.38	68,940	71.25	51,646	53.38	28,960	29.93
LeBaron GTS	83,478	100.00	83,478	100.00	83,478	100.00	0	0.00	0	0.00	37,755	45.23	53,061	63.56	37,755	45.23	29,818	35.72
New Yorker E-Class	59,533	100.00	42,040	70.62	59,533	100.00	0	0.00	0	0.00	59,533	100.00	54,409	91.39	56,926	95.62	59,533	100.00
Fifth Avenue	84,917	100.00	84,917	100.00	84,917	100.00	0	0.00	0	0.00	84,917	100.00	84,917	100.00	82,195	96.80	84,917	100.00
Dodge Total	443,035	98.37	425,532	94.49	442,988	98.36	0	0.00	0	0.00	75,965	16.87	309,866	68.80	86,254	19.15	50,356	11.18
Omni	86,046	100.00	75,037	87.21	86,046	100.00	0	0.00	0	0.00	0	0.00	65,888	76.57	0	0.00	0	0.00
Charger	50,655	100.00	38,063	75.14	50,655	100.00	0	0.00	0	0.00	0	0.00	36,450	71.96	0	0.00	0	0.00
Aries	114,837	94.00	120,959	99.01	121,776	99.68	0	0.00	0	0.00	0	0.00	73,126	59.86	13,977	11.44	0	0.00
Daytona	46,761	100.00	46,761	100.00	46,761	100.00	0	0.00	0	0.00	18,379	39.30	42,718	91.35	13,928	29.79	21,694	46.39
Dodge 600	69,956	100.00	69,933	99.97	69,956	100.00	0	0.00	0	0.00	30,062	42.97	42,214	60.34	30,062	42.97	12,705	18.16
Lancer	56,627	100.00	56,627	100.00	56,627	100.00	0	0.00	0	0.00	18,748	33.11	34,511	60.94	18,748	33.11	15,957	28.18
Diplomat	18,153	100.00	18,153	100.00	11,167	61.52	0	0.00	0	0.00	8,776	48.34	14,961	82.41	9,538	52.54	0	0.00
FORD MOTOR	1,886,963	92.36	1,953,599	95.62	2,043,061	100.00	19,012	0.93	0	0.00	1,066,400	52.20	1,605,872	78.60	1,115,035	54.58	1,366,948	66.91
Ford Division	1,240,068	90.02	1,307,687	94.93	1,377,562	100.00	0	0.00	0	0.00	540,399	39.23	997,144	72.38	615,144	44.65	830,087	60.26
Escort EXP	309,957	79.43	322,657	82.68	390,227	100.00	0	0.00	0	0.00	0	0.00	234,259	60.03	0	0.00	187,049	47.93
Tempo	158,376	95.36	163,774	98.61	166,078	100.00	0	0.00	0	0.00	17,587	10.59	100,353	60.43	35,988	21.67	152,162	91.62
Mustang	182,371	81.27	224,410	100.00	224,410	100.00	0	0.00	0	0.00	73,712	32.85	142,744	63.61	172,290	76.77	0	0.00
Thunderbird	162,588	99.16	163,965	100.00	163,965	100.00	0	0.00	0	0.00	153,748	93.77	147,937	90.23	114,542	69.86	156,521	95.46
Taurus	232,911	98.54	236,362	100.00	236,362	100.00	0	0.00	0	0.00	169,537	71.73	215,313	91.09	167,125	70.71	227,098	96.08
Crown Victoria*	122,187	98.51	124,037	100.00	124,037	100.00	0	0.00	0	0.00	82,511	66.52	100,342	80.90	85,510	69.02	55,918	45.08
LTD	71,678	98.89	72,483	100.00	72,483	100.00	0	0.00	0	0.00	43,303	59.74	56,195	77.53	39,588	54.62	51,338	70.83
L-M Division	646,895	97.20	645,911	97.06	665,499	100.00	19,012	2.86	0	0.00	526,000	79.04	608,727	91.47	499,891	75.12	536,861	80.67
Mercury Total	490,056	96.34	489,072	96.15	508,660	100.00	0	0.00	0	0.00	369,161	72.58	451,888	88.84	343,052	67.44	380,022	74.71
Lynx	54,789	76.57	51,971	72.63	71,559	100.00	0	0.00	0	0.00	0	0.00	41,089	57.42	0	0.00	0	0.00
Topaz	46,683	100.00	46,683	100.00	46,683	100.00	0	0.00	0	0.00	10,423	22.33	40,885	87.58	9,563	20.48	10,423	22.33
Capri	20,869	100.00	20,869	100.00	20,869	100.00	0	0.00	0	0.00	20,869	100.00	20,869	100.00	15,589	74.70	20,869	100.00
Marquis	28,096	98.30	28,582	100.00	28,582	100.00	0	0.00	0	0.00	24,266	84.90	25,552	89.40	22,065	77.20	11,433	40.00
Cougar	135,229	99.50	135,909	100.00	135,909	100.00	0	0.00	0	0.00	122,318	90.00	131,424	96.70	110,223	81.10	132,240	97.30
Grand Marquis*	109,420	100.00	109,420	100.00	109,420	100.00	0	0.00	0	0.00	109,420	100.00	101,980	93.20	106,903	97.70	109,420	100.00
Sable	94,969	99.30	95,638	100.00	95,638	100.00	0	0.00	0	0.00	81,866	85.60	90,090	94.20	78,710	82.30	95,638	100.00
Lincoln Total	156,839	100.00	156,839	100.00	156,839	100.00	19,012	12.12	0	0.00	156,839	100.00	156,839	100.00	156,839	100.00	156,839	100.00
Mark VII	20,056	100.00	20,056	100.00	20,056	100.00	0	0.00	0	0.00	20,056	100.00	20,056	100.00	20,056	100.00	20,056	100.00
Continental	19,012	100.00	19,012	100.00	19,012	100.00	19,012	100.00	0	0.00	19,012	100.00	19,012	100.00	19,012	100.00	19,012	100.00
Lincoln	117,771	100.00	117,771	100.00	117,771	100.00	0	0.00	0	0.00	117,771	100.00	117,771	100.00	117,771	100.00	117,771	100.00
GENERAL MOTORS	4,122,499	93.39	4,090,294	92.66	4,286,077	97.09	37,078	0.84	106,258	2.41	2,195,858	49.74	2,905,875	65.83	2,344,548	53.11	604,808	13.70
Buick Total	836,825	98.44	849,241	99.90	850,103	100.00	1,017	0.12	0	0.00	465,632	54.77	599,401	70.51	526,182	61.90	158,841	18.68
Regal	90,074	98.73	91,230	100.00	91,230	100.00	0	0.00	0	0.00	59,913	65.67	59,437	65.15	50,186	55.01	0	0.00
LeSabre (fwd)	94,972	100.00	94,972	100.00	94,972	100.00	0	0.00	0	0.00	70,132	73.84	67,711	71.30	80,646	84.92	21,901	23.06
Skyhawk	83,873	91.74	90,559	99.05	91,421	100.00	0	0.00	0	0.00	8,411	9.20	62,359	68.21	9,832	10.75	0	0.00
Somerset/Skylark	137,855	100.00	137,855	100.00	137,855	100.00	0	0.00	0	0.00	40,898	29.67	81,681	59.25	53,858	39.07	2,472	1.79
Century	269,933	98.33	274,507	100.00	274,507	100.00	0	0.00	0	0.00	127,468	46.44	198,592	72.34	172,808	62.95	10,513	3.83
LeSabre/Electra (rwd)	18,126	100.00	18,126	100.00	18,126	100.00	0	0.00	0	0.00	16,818	92.78	15,271	84.25	17,608	97.14	3,217	17.75
Electra (fwd)	119,854	100.00	119,854	100.00	119,854	100.00	1,017	0.85	0	0.00	119,854	100.00	94,284	78.67	119,106	99.38	98,600	82.27
Riviera	22,138	100.00	22,138	100.00	22,138	100.00	0	0.00	0	0.00	22,138	100.00	20,067	90.65	22,138	100.00	22,138	100.00
Cadillac Total	281,683	100.00	281,683	100.00	281,683	100.00	0	0.00	0	0.00	281,683	100.00	227,400	80.73	281,683	100.00	281,683	100.00
Cimarron	24,534	100.00	24,534	100.00	24,534	100.00	0	0.00	0	0.00	24,534	100.00	24,534	100.00	24,534	100.00	24,534	100.00
Seville	19,098	100.00	19,098	100.00	19,098	100.00	0	0.00	0	0.00	19,098	100.00	17,032	89.18	19,098	100.00	19,098	100.00
Eldorado	21,342	100.00	21,342	100.00	21,342	100.00	0	0.00	0	0.00	21,342	100.00	18,323	85.85	21,342	100.00	21,342	100.00
Fleetwood	49,137	100.00	49,137	100.00	49,137	100.00	0	0.00	0	0.00	49,137	100.00	38,612	78.58	49,137	100.00	49,137	100.00
DeVille (fwd)	167,572	100.00	167,572	100.00	167,572	100.00	0	0.00	0	0.00	167,572	100.00	128,899	76.92	167,572	100.00	167,572	100.00
Chevrolet Total	1,149,307	83.96	1,157,353	84.55	1,255,703	91.74	35,109	2.56	61,827	4.52	455,370	33.27	843,717	61.64	521,048	38.07	47,639	3.48
Chevette	51,829	50.20	32,626	31.60	16,829	16.30	0	0.00	0	0.00	0	0.00	30,148	29.20	0	0.00	0	0.00
Cavalier	363,397	84.10	291,236	67.40	432,101	100.00	0	0.00	0	0.00	25,325	5.86	238,520	55.20	78,211	18.10	0	0.00
Celebrity	201,628	83.34	241,942	100.00	241,942	100.00	0	0.00	0	0.00	58,792	24.30	156,053	64.50	78,389	32.40	0	0.00
Camaro	183,569	95.50	192,219	100.00	165,501	86.10	0	0.00	26,718	13.90	108,796	56.60	132,439	68.90	87,652	45.60	39,213	20.40
Monte Carlo	115,633	97.00	119,210	100.00	119,210	100.00	0	0.00	0	0.00	76,176	63.90	87,143	73.10	70,811	59.40	0	0.00
Caprice	233,251	95.20	245,011	100.00	245,011	100.00	0	0.00	0	0.00	151,172	61.70	172,733	70.50	171,753	70.10	0	0.00
Corvette	0	0.00	35,109	100.00	35,109	100.00	35,109	100.00	35,109	100.00	35,109	100.00	26,683	76.00	34,232	97.50	8,426	24.00
Oldsmobile Total	1,036,191	98.61	1,041,984	99.17	1,050,756	100.00	952	0.09	0	0.00	622,164	59.21	747,566	71.15	664,268	63.22	42,012	4.00
Firenza	42,209	90.38	37,929	81.22	46,701	100.00	0	0.00	0	0.00	4,851	10.39	29,440	63.04	5,478	11.73	0	0.00
Calais	151,291	100.00	151,291	100.00	151,291	100.00	0	0.00	0	0.00	50,613	33.45	86,965	57.48	45,699	30.21	0	0.00
Cutlass Ciera	279,382	97.14	287,622	100.00	287,622	100.00	0	0.00	0	0.00	135,648	47.16	213,094	74.09	165,381	57.50	0	0.00
Cutlass Supreme	167,474	98.92	169,307	100.00	169,307	100.00	0	0.00	0	0.00	96,373	56.92	113,851	67.25	88,466	52.25	0	0.00
Delta 88	234,266	100.00	234,266	100.00	234,266	100.00	0	0.00	0	0.00	175,848	75.06	171,820	73.34	198,843	84.88	0	0.00
88 (rwd-wagon)	21,073	100.00	21,073	100.00	21,073	100.00	0	0.00	0	0.00	18,335	87.01	18,030	85.56	19,905	94.46	4,429	21.02
Olds 98	124,572	100.00	124,572	100.00	124,572	100.00	952	0.76	0	0.00	124,572	100.00	99,431	79.82	124,572	100.00	29,969	24.06
Toronado	15,924	100.00	15,924	100.00	15,924	100.00	0	0.00	0	0.00	15,924	100.00	14,934	93.78	15,924	100.00	7,614	47.81
Pontiac Total	818,493	94.84	760,033	88.07	847,832	98.24	0	0.00	44,431	5.15	371,010	42.99	487,790	56.52	351,368	40.71	74,633	8.65
1000	13,649	62.93	8,420	38.82	6,494	29.94	0	0.00	0	0.00	0	0.00	5,812	26.80	0	0.00	0	0.00
2000 Sunbird	123,541	91.44	129,350	95.74	135,101	100.00	0	0.00	0	0.00	11,913	8.82	76,200	56.40	22,134	16.38	3,774	2.79
Fiero	63,392	75.49	0	0.00	83,974	100.00	0	0.00	0	0.00	35,294	42.03	28,197	33.58	36,386	43.33	18,225	21.70
Grand Am	223,596	100.00	223,596	100.00	223,596	100.00	0	0.00	0	0.00	85,994	38.46	129,127	57.75	77,472	34.65	14,342	6.41
Grand Prix*	43,696	98.67	44,284	100.00	44,284	100.00	0	0.00	0	0.00	28,054	63.35	25,416	57.39	24,028	54.26	0	0.00
Bonneville*	40,408	98.74	40,925	100.00	40,925	100.00	0	0.00	0	0.00	16,095	39.33	18,757	45.83	21,582	52.74	0	0.00
Firebird	109,241	98.88	110,483	100.00	110,483	100.00	0	0.00	30,182	27.32	73,508	66.53	68,701	62.18	48,009	43.45	19,334	17.50
Parisienne	84,738	99.59	85,088	100.00	85,088	100.00	0	0.00	0	0.00	65,655	77.16	53,888	63.33	73,124	85.94	0	0.00
6000	116,231	98.60	117,887	100.00	117,887	100.00	0	0.00	14,249	12.09	54,496	46.23	81,692	69.30	48,633	41.25	18,958	16.08
HONDA	181,101	100.00	179,614	99.18	181,101	100.00	0	0.00	0	0.00	130,987	72.33	181,101	100.00	107,207	59.20	130,987	72.33
Civic	2,860	100.00	1,373	48.00	2,860	100.00	0	0.00	0	0.00	0	0.00	2,860	100.00	0	0.00	0	0.00
Accord	178,241	100.00	178,241	100.00	178,241	100.00	0	0.00	0	0.00	130,987	73.49	178,241	100.00	107,207	60.15	130,987	73.49
NISSAN	21,980	43.30	6,680	13.16	50,763	100.00	0	0.00	0	0.00	0	0.00	50,763	100.00	0	0.00	0	0.00
NUMMI (Nova)	179,026	100.00	155,824	87.04	179,026	100.00	0	0.00	0	0.00	0	0.00	138,924	77.60	12,174	6.80	0	0.00
VOLKSWAGEN	85,350	100.00	32,232	37.76	0	0.00	0	0.00	0	0.00	2,052	2.40	85,350	100.00	2,052	2.40	2,870	3.36
Total Cars, U.S.	7,679,386	93.70	7,553,346	92.16	7,974,577	97.30	56,090	0.68	106,258	1.30	3,738,856	45.62	5,882,545	71.78	3,945,217	48.14	2,414,965	29.47

*—Based on North American production

OPTIONS/EQUIPMENT

SEAT OPTIONS ON 1986 U.S. MODELS

	Bucket Seats	Percent of Output	Split Seats	Percent of Output	Reclining Seats	Percent of Output	Bench Seats	Percent of Output	Power Seats	Percent of Output	Cloth Seats	Percent of Output	Vinyl Seats	Percent of Output	Leather Seats	Percent of Output
AMERICAN MOTORS	73,074	99.98	0	0.00	22,589	30.91	0	0.00	1,237	1.69	59,855	81.89	12,148	16.62	1,087	1.49
Eagle*	8,201	99.80	0	0.00	0	0.00	0	0.00	1,237	15.06	7,130	86.77	0	0.00	1,087	13.23
Renault Total	64,873	100.00	0	0.00	22,589	34.82	0	0.00	0	0.00	52,725	81.27	12,148	18.73	0	0.00
Alliance	55,821	100.00	0	0.00	19,889	35.63	0	0.00	0	0.00	44,955	80.53	10,866	19.47	0	0.00
Encore	9,052	100.00	0	0.00	2,699	29.82	0	0.00	0	0.00	7,770	85.84	1,282	14.16	0	0.00
CHRYSLER MOTORS	622,913	53.29	245,280	20.99	927,386	79.34	277,944	23.78	162,860	13.93	947,970	81.10	88,234	7.55	132,574	11.34
Plymouth Total	164,477	46.92	51,773	14.77	186,887	53.31	119,573	34.11	6,056	1.73	312,375	89.10	38,163	10.89	0	0.00
Horizon	97,778	100.00	0	0.00	97,778	100.00	0	0.00	0	0.00	95,008	97.17	2,735	2.80	0	0.00
Turismo	46,392	100.00	0	0.00	46,392	100.00	0	0.00	0	0.00	45,881	98.90	511	1.10	0	0.00
Reliant	20,307	13.24	0	0.00	19,465	12.69	118,305	77.14	0	0.00	120,356	78.48	33,006	21.52	0	0.00
Caravelle	0	0.00	44,110	100.00	19,944	45.21	0	0.00	6,056	13.73	44,110	100.00	0	0.00	0	0.00
Gran Fury	0	0.00	7,663	85.80	3,308	37.04	1,268	14.20	0	0.00	7,020	78.61	1,911	21.39	0	0.00
Chrysler Total	175,536	47.71	148,632	40.40	324,168	88.11	43,730	11.89	109,690	29.82	237,876	64.66	15,220	4.14	114,807	31.21
Laser	43,210	100.00	0	0.00	43,210	100.00	0	0.00	12,353	28.59	35,929	83.15	0	0.00	7,281	16.85
LeBaron K	48,848	50.48	4,182	4.32	53,030	54.81	43,730	45.19	0	0.00	74,102	76.58	15,220	15.73	7,441	7.69
LeBaron GTS	83,478	100.00	0	0.00	83,478	100.00	0	0.00	28,434	34.06	70,096	83.97	0	0.00	13,382	16.03
New Yorker/E-Class	0	0.00	59,533	100.00	59,533	100.00	0	0.00	43,395	72.89	27,736	46.59	0	0.00	31,797	53.41
Fifth Avenue	0	0.00	84,917	100.00	84,917	100.00	0	0.00	25,508	30.04	30,012	35.34	0	0.00	54,907	64.66
Dodge Total	282,900	62.82	44,876	9.96	416,332	92.44	114,641	25.46	47,113	10.46	397,719	88.31	34,850	7.74	17,767	3.95
Omni	86,046	100.00	0	0.00	86,046	100.00	0	0.00	0	0.00	84,102	97.74	1,936	2.25	0	0.00
Charger	50,655	100.00	0	0.00	50,655	100.00	0	0.00	0	0.00	49,922	98.55	729	1.44	0	0.00
Aries	14,395	11.78	0	0.00	122,167	100.00	107,772	88.22	0	0.00	106,424	87.11	15,735	12.88	0	0.00
Daytona	46,761	100.00	0	0.00	46,761	100.00	0	0.00	9,606	20.54	40,014	85.57	0	0.00	6,743	14.42
Dodge 600	28,416	40.62	36,956	52.83	46,341	66.24	4,583	6.55	17,710	25.32	50,683	72.45	13,683	19.56	5,582	7.98
Lancer	56,627	100.00	0	0.00	56,627	100.00	0	0.00	14,951	26.40	51,185	90.39	0	0.00	5,442	9.61
Diplomat	0	0.00	7,920	43.63	7,735	42.61	2,285	12.59	4,846	26.69	15,388	84.77	2,767	15.24	0	0.00
FORD MOTOR	1,032,260	50.53	910,849	44.58	1,449,539	70.95	217,440	10.64	746,462	36.54	1,791,176	87.67	106,531	5.21	140,177	6.86
Ford Division	863,813	62.71	429,954	31.21	784,040	56.92	201,284	14.61	312,147	22.66	1,253,111	90.97	89,906	6.53	30,845	2.24
Escort/EXP	390,227	100.00	0	0.00	390,227	100.00	0	0.00	0	0.00	370,716	95.00	19,511	5.00	0	0.00
Tempo	166,078	100.00	0	0.00	166,078	100.00	0	0.00	14,390	8.66	158,759	95.59	6,809	4.10	515	0.31
Mustang	224,410	100.00	0	0.00	56,910	25.36	0	0.00	0	0.00	201,242	89.68	16,584	7.39	5,969	2.66
Thunderbird	43,389	26.46	120,571	73.53	10,930	6.67	120,571	73.53	78,474	47.86	153,451	93.59	2,689	1.64	7,821	4.77
Taurus	39,709	16.80	160,254	67.80	59,090	25.00	36,400	15.40	142,229	60.17	215,325	91.10	10,636	4.50	10,400	4.40
Crown Victoria*	0	0.00	92,809	74.82	100,805	81.27	28,153	22.70	68,161	54.95	87,884	70.85	26,928	21.71	6,140	4.95
LTD	0	0.00	56,320	77.70	0	0.00	16,160	22.29	8,893	12.27	65,734	90.69	6,748	9.31	0	0.00
L-M Division	168,448	25.31	480,895	72.26	665,499	100.00	16,157	2.43	434,315	65.26	538,065	80.85	16,625	2.50	109,331	16.43
Mercury Total	154,992	30.47	337,511	66.35	508,660	100.00	16,157	3.18	277,476	54.55	458,999	90.24	16,625	3.27	33,078	6.50
Lynx	71,559	100.00	0	0.00	71,559	100.00	0	0.00	0	0.00	67,838	94.80	3,721	5.20	0	0.00
Topaz	46,683	100.00	0	0.00	46,683	100.00	0	0.00	2,364	5.06	44,302	94.90	1,933	4.14	481	1.03
Capri	20,869	100.00	0	0.00	20,869	100.00	0	0.00	0	0.00	20,243	97.00	626	3.00	0	0.00
Marquis	0	0.00	24,379	85.30	28,582	100.00	4,203	14.70	12,426	43.47	26,890	94.08	1,692	5.92	0	0.00
Cougar	6,795	5.00	129,114	95.00	135,909	100.00	0	0.00	107,640	79.20	128,026	94.20	2,854	2.10	5,029	3.70
Grand Marquis*	0	0.00	109,420	100.00	109,420	100.00	0	0.00	103,402	94.50	89,165	81.49	2,834	2.59	17,431	15.93
Sable	9,086	9.50	74,598	78.00	95,638	100.00	11,954	12.50	51,645	54.00	82,535	86.30	2,965	3.10	10,138	10.60
Lincoln Total	13,455	8.58	143,384	91.42	156,839	100.00	0	0.00	156,839	100.00	79,066	50.41	0	0.00	76,254	48.62
Mark VII	13,455	67.09	6,601	32.91	20,056	100.00	0	0.00	20,056	100.00	6,036	30.10	0	0.00	14,019	69.90
Continental	0	0.00	19,012	100.00	19,012	100.00	0	0.00	19,012	100.00	7,890	41.50	0	0.00	11,122	58.50
Lincoln	0	0.00	117,771	100.00	117,771	100.00	0	0.00	117,771	100.00	65,140	55.31	0	0.00	51,113	43.40
GENERAL MOTORS	1,989,771	45.07	1,430,952	32.42	2,890,299	65.47	725,995	16.45	1,589,687	36.01	4,006,317	90.76	81,344	1.84	320,643	7.26
Buick Total	273,146	32.13	501,844	59.03	519,473	61.11	75,113	8.84	354,498	41.70	802,774	94.43	8,155	0.96	39,173	4.61
Regal	13,380	14.67	63,604	69.72	35,883	39.33	14,246	15.62	37,781	41.41	89,473	98.07	0	0.00	1,761	1.93
LeSabre (fwd)	0	0.00	85,574	90.10	35,992	37.90	9,398	9.90	59,513	62.66	94,972	100.00	0	0.00	0	0.00
Skyhawk	91,421	100.00	0	0.00	91,421	100.00	0	0.00	1,545	1.69	91,421	100.00	0	0.00	0	0.00
Somerset/Skylark	137,855	100.00	0	0.00	137,855	100.00	0	0.00	12,144	8.81	132,559	96.16	3,240	2.35	2,054	1.49
Century	8,352	3.04	215,955	78.67	109,135	39.76	50,200	18.29	85,562	31.17	266,983	97.26	2,580	0.94	4,941	1.80
LeSabre/Electra (rwd)	0	0.00	16,857	93.00	11,987	66.13	1,269	7.00	15,961	88.06	15,791	87.12	2,335	12.88	0	0.00
Electra (fwd)	0	0.00	119,854	100.00	75,062	62.63	0	0.00	119,854	100.00	98,099	81.85	0	0.00	21,755	18.15
Riviera	22,138	100.00	0	0.00	22,138	100.00	0	0.00	22,138	100.00	13,476	60.87	0	0.00	8,662	39.13
Cadillac Total	64,974	23.07	0	0.00	141,830	50.35	167,572	59.49	281,683	100.00	92,106	32.70	0	0.00	188,368	66.87
Cimarron	24,534	100.00	0	0.00	24,534	100.00	0	0.00	24,534	100.00	4,076	16.61	0	0.00	20,461	83.40
Seville	19,098	100.00	0	0.00	19,098	100.00	0	0.00	19,098	100.00	2,070	10.84	0	0.00	16,386	85.80
Eldorado	21,342	100.00	0	0.00	13,333	62.47	0	0.00	21,342	100.00	2,020	9.46	0	0.00	18,781	88.00
Fleetwood	0	0.00	0	0.00	44,796	91.17	0	0.00	49,137	100.00	23,986	48.81	0	0.00	25,158	51.20
DeVille (fwd)	0	0.00	0	0.00	40,069	23.91	167,572	100.00	167,572	100.00	59,954	35.78	0	0.00	107,581	64.20
Chevrolet Total	820,182	59.92	24,727	1.81	918,823	67.12	429,369	31.37	375,076	27.40	1,277,861	93.35	53,673	3.92	31,949	2.33
Chevette	103,244	100.00	0	0.00	103,244	100.00	0	0.00	0	0.00	83,628	81.00	18,584	18.00	0	0.00
Cavalier	432,101	100.00	0	0.00	432,101	100.00	15,124	3.50	0	0.00	414,817	96.00	12,963	3.00	0	0.00
Celebrity	11,613	4.80	20,807	8.60	19,355	8.00	119,761	49.50	203,715	84.20	237,103	98.00	4,839	2.00	0	0.00
Camaro	192,219	100.00	0	0.00	192,219	100.00	0	0.00	0	0.00	188,375	98.00	3,844	2.00	0	0.00
Monte Carlo	45,896	38.50	0	0.00	45,896	38.50	53,168	44.60	17,285	14.50	118,018	99.00	1,192	1.00	0	0.00
Caprice	0	0.00	3,920	1.60	90,899	37.10	241,336	98.50	120,055	49.00	232,760	95.00	12,251	5.00	0	0.00
Corvette	35,109	100.00	0	0.00	35,109	100.00	0	0.00	34,020	96.90	3,160	9.00	0	0.00	31,949	91.00
Oldsmobile Total	233,989	22.27	692,756	65.93	592,406	56.38	0	0.00	437,211	41.61	985,278	93.77	10,067	0.96	55,412	5.27
Firenza	46,701	100.00	1,603	3.43	46,701	100.00	0	0.00	1,041	2.23	46,701	100.00	0	0.00	0	0.00
Calais	151,291	100.00	0	0.00	151,291	100.00	0	0.00	11,832	7.82	149,627	98.90	0	0.00	1,664	1.10
Cutlass Ciera	12,481	4.34	216,682	75.34	108,272	37.64	0	0.00	99,958	34.75	265,763	92.40	10,067	3.50	11,793	4.10
Cutlass Supreme	10,756	6.35	114,075	67.38	36,987	21.85	0	0.00	57,535	33.98	166,937	98.60	0	0.00	2,370	1.40
Delta 88	0	0.00	214,752	91.67	129,967	55.48	0	0.00	158,837	67.80	223,490	95.40	0	0.00	10,776	4.60
88 (rwd-wagon)	0	0.00	21,073	100.00	15,072	71.52	0	0.00	20,868	99.03	21,073	100.00	0	0.00	0	0.00
Olds 98	0	0.00	124,572	100.00	89,376	71.75	0	0.00	73,567	59.06	102,149	82.00	0	0.00	22,423	18.00
Toronado	12,760	80.13	0	0.00	14,740	92.57	0	0.00	13,573	85.24	9,538	59.90	0	0.00	6,386	40.10
Pontiac Total	597,480	69.23	211,624	24.52	717,767	83.17	53,921	6.25	141,219	16.36	848,298	98.29	9,449	1.09	5,741	0.67
1000	21,689	100.00	0	0.00	21,689	100.00	0	0.00	0	0.00	19,475	89.79	2,212	10.20	0	0.00
2000 Sunbird	135,101	100.00	0	0.00	135,101	100.00	0	0.00	4,019	2.98	132,977	98.43	2,162	1.60	0	0.00
Fiero	83,974	100.00	0	0.00	83,974	100.00	0	0.00	0	0.00	81,148	96.63	0	0.00	2,855	3.40
Grand Am	223,596	100.00	0	0.00	223,596	100.00	0	0.00	20,295	9.08	222,394	99.46	1,342	0.60	0	0.00
Grand Prix*	15,483	34.96	22,191	50.11	26,028	58.78	6,609	14.92	11,384	25.71	44,032	99.43	177	0.40	89	0.20
Bonneville*	0	0.00	29,578	72.27	8,884	21.71	11,347	27.73	8,172	19.97	40,790	99.67	82	0.20	41	0.10
Firebird	110,483	100.00	0	0.00	110,483	100.00	0	0.00	12,570	11.38	109,446	99.06	1,105	1.00	0	0.00
Parisienne	0	0.00	78,186	91.89	57,222	67.25	6,902	8.11	55,654	65.41	82,857	97.38	1,191	1.40	1,106	1.30
6000	7,155	6.07	81,670	69.28	50,790	43.08	29,063	24.65	29,125	24.71	115,181	97.70	1,179	1.00	1,650	1.40
HONDA	181,101	100.00	0	0.00	181,101	100.00	0	0.00	0	0.00	181,101	100.00	0	0.00	0	0.00
Civic	2,860	100.00	0	0.00	2,860	100.00	0	0.00	0	0.00	2,860	100.00	0	0.00	0	0.00
Accord	178,241	100.00	0	0.00	178,241	100.00	0	0.00	0	0.00	178,241	100.00	0	0.00	0	0.00
NISSAN	50,763	100.00	0	0.00	50,763	100.00	0	0.00	0	0.00	0	0.00	28,783	56.70	0	0.00
NUMMI (Nova)	179,026	100.00	0	0.00	179,026	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
VOLKSWAGEN	85,350	100.00	0	0.00	85,350	100.00	0	0.00	0	0.00	82,704	96.90	854	1.00	1,792	2.10
Total Cars, U.S.	4,214,258	51.42	2,587,081	31.57	5,786,053	70.60	1,221,379	14.90	2,500,246	30.51	7,069,123	86.25	317,893	3.88	596,273	7.28

NOTE: *—Based on North American production

OPTIONS/EQUIPMENT

TRANSMISSION, CRUISE CONTROL AND STEERING WHEEL OPTIONS ON 1986 U.S. MODELS

	Automatic Transmission	Percent of Output	Automatic Overdrive	Percent of Output	4-Speed Manual	Percent of Output	5-Speed Manual	Percent of Output	Limited Slip Differential	Percent of Output	Cruise Control	Percent of Output	Tilt Wheel	Percent of Output	Tilt & Telescope	Percent of Output
AMERICAN MOTORS	47,844	65.46	0	0.00	12,148	16.62	13,098	17.92	0	0.00	7,813	10.69	15,003	20.53	0	0.00
Eagle*	7,925	96.45	0	0.00	0	0.00	232	3.55	0	0.00	4,675	56.89	7,064	85.97	0	0.00
Renault Total	39,919	61.53	0	0.00	12,148	18.73	12,806	19.74	0	0.00	3,138	4.84	7,938	12.24	0	0.00
Alliance	35,527	63.64	0	0.00	10,866	19.47	9,428	16.89	0	0.00	2,734	4.90	6,458	11.57	0	0.00
Encore	4,392	48.52	0	0.00	1,282	14.16	3,378	37.32	0	0.00	404	4.46	1,480	16.35	0	0.00
CHRYSLER MOTORS	1,016,255	86.95	0	0.00	6,598	0.56	145,983	12.49	0	0.00	551,879	47.22	568,782	48.66	0	0.00
Plymouth Total	306,915	87.55	0	0.00	3,505	1.00	40,152	11.45	0	0.00	80,169	22.87	72,549	20.69	0	0.00
Horizon	71,107	72.72	0	0.00	2,685	2.75	23,985	24.53	0	0.00	3,637	3.72	0	0.00	0	0.00
Turismo	30,927	66.66	0	0.00	820	1.77	14,645	31.57	0	0.00	2,255	4.86	0	0.00	0	0.00
Reliant	151,840	99.01	0	0.00	0	0.00	1,522	0.99	0	0.00	38,461	25.08	34,721	22.64	0	0.00
Caravelle	44,110	100.00	0	0.00	0	0.00	0	0.00	0	0.00	32,502	73.68	31,878	72.27	0	0.00
Gran Fury	8,931	100.00	0	0.00	0	0.00	0	0.00	0	0.00	3,314	37.11	5,950	66.62	0	0.00
Chrysler Total	341,063	92.71	0	0.00	0	0.00	26,835	7.29	0	0.00	310,861	84.50	315,860	85.86	0	0.00
Laser	27,355	63.31	0	0.00	0	0.00	15,855	36.69	0	0.00	22,644	52.41	39,075	90.43	0	0.00
LeBaron K	96,760	100.00	0	0.00	0	0.00	0	0.00	0	0.00	84,336	87.16	84,268	87.09	0	0.00
LeBaron GTS	72,498	86.85	0	0.00	0	0.00	10,980	13.15	0	0.00	65,771	78.79	59,653	71.46	0	0.00
New Yorker/E-Class	59,533	100.00	0	0.00	0	0.00	0	0.00	0	0.00	57,304	96.26	57,312	96.27	0	0.00
Fifth Avenue	84,917	100.00	0	0.00	0	0.00	0	0.00	0	0.00	80,806	95.16	75,551	88.97	0	0.00
Dodge Total	368,277	81.77	0	0.00	3,093	0.69	78,996	17.54	0	0.00	160,849	35.72	180,373	40.05	0	0.00
Omni	58,366	67.83	0	0.00	2,242	2.61	25,438	29.56	0	0.00	3,403	3.95	0	0.00	0	0.00
Charger	26,902	53.11	0	0.00	851	1.68	22,902	45.21	0	0.00	1,933	3.82	0	0.00	0	0.00
Aries	120,821	98.90	0	0.00	0	0.00	1,346	1.10	0	0.00	34,656	28.37	33,779	27.65	0	0.00
Daytona	24,752	52.93	0	0.00	0	0.00	22,009	47.07	0	0.00	16,043	34.31	42,197	90.24	0	0.00
Dodge 600	69,956	100.00	0	0.00	0	0.00	0	0.00	0	0.00	52,706	75.34	52,992	75.75	0	0.00
Lancer	49,327	87.11	0	0.00	0	0.00	7,300	12.89	0	0.00	42,665	75.34	36,864	65.10	0	0.00
Diplomat	18,153	100.00	0	0.00	0	0.00	0	0.00	0	0.00	9,443	52.02	14,541	80.10	0	0.00
FORD MOTOR	833,074	40.78	760,711	37.23	185,061	9.06	261,732	12.81	134,118	6.56	1,364,806	66.80	1,268,043	62.07	37,346	1.83
Ford Division	619,865	45.00	363,468	26.38	161,740	11.74	232,489	16.88	99,592	7.23	811,411	58.90	687,801	49.93	0	0.00
Escort/EXP	189,521	48.57	0	0.00	101,479	26.00	99,228	25.43	0	0.00	52,296	13.40	17,833	4.57	0	0.00
Tempo	117,539	70.77	0	0.00	0	0.00	48,539	29.23	0	0.00	68,927	41.50	82,508	49.68	0	0.00
Mustang	100,895	44.96	14,236	6.34	60,262	26.85	49,017	21.84	62,986	28.07	185,310	82.58	97,708	43.54	0	0.00
Thunderbird	108,856	66.39	41,706	25.44	0	0.00	13,403	8.17	22,855	13.94	155,248	94.68	155,652	94.93	0	0.00
Taurus	30,571	12.93	183,489	77.63	0	0.00	22,301	9.44	0	0.00	197,278	83.46	191 500	81.02	0	0.00
Crown Victoria*	0	0.00	124,037	100.00	0	0.00	0	0.00	12,591	10.15	96,285	77.63	93,152	75.10	0	0.00
LTD	72,483	100.00	0	0.00	0	0.00	0	0.00	1,160	1.60	56,067	77.35	49,448	68.22	0	0.00
L-M Division	213,209	32.04	397,243	59.69	23 321	3.50	29,243	4.39	34,526	5.19	553,395	83.15	580,242	87.19	37,346	5.61
Mercury Total	213,209	41.92	240,404	47.26	23 321	4.58	29,243	5.75	16,704	3.28	396,556	77.96	423,403	83.24	37,346	7.34
Lynx	38,015	53.12	0	0.00	18, 23	25.33	15,420	21.55	0	0.00	7,657	10.70	2,433	3.40	0	0.00
Topaz	35,443	75.92	0	0.00	0	0.00	11,240	24.08	0	0.00	20,574	44.07	46,683	100.00	37,346	80.00
Capri	11,832	56.70	1,357	6.50	5,197	24.90	0	0.00	0	0.00	16,256	77.90	20,869	100.00	0	0.00
Marquis	371	1.30	28,211	98.70	0	0.00	0	0.00	286	1.00	26,181	91.60	26,438	92.50	0	0.00
Cougar	126,396	93.00	6,931	5.10	0	0.00	2,582	1.90	7,883	5.80	129,657	95.40	132,239	97.30	0	0.00
Grand Marquis*	0	0.00	109,420	100.00	0	0.00	0	0.00	8,535	7.80	107,669	98.40	107,232	98.00	0	0.00
Sable	1,152	1.20	94,486	98.80	0	0.00	0	0.00	0	0.00	88,561	92.60	87,509	91.50	0	0.00
Lincoln Total	0	0.00	156,839	100.00	0	0.00	0	0.00	17,821	11.36	156,839	100.00	156,839	100.00	0	0.00
Mark VII	0	0.00	20,056	100.00	0	0.00	0	0.00	6,152	30.68	20,056	100.00	20,056	100.00	0	0.00
Continental	0	0.00	19,012	100.00	0	0.00	0	0.00	2,558	13.46	19,012	100.00	19,012	100.00	0	0.00
Lincoln	0	0.00	117,771	100.00	0	0.00	0	0.00	9,111	7.74	117,771	100.00	117,771	100.00	0	0.00
GENERAL MOTORS	2,101,647	47.61	2,019,369	45.74	112,662	2.55	189,465	4.29	121,934	2.76	2,918,192	66.11	3,074,098	69.64	305,040	6.91
Buick Total	449,547	52.88	377,542	44.41	4,487	0.53	18,515	2.18	9,570	1.13	656,761	77.26	726,912	85.51	9,019	1.06
Regal	61,010	66.87	30,208	33.11	0	0.00	0	0.00	6,583	7.22	69,902	76.62	81,368	89.19	0	0.00
LeSabre (fwd)	0	0.00	94,972	100.00	0	0.00	0	0.00	0	0.00	85,769	90.31	90,670	95.47	0	0.00
Skyhawk	78,499	85.87	0	0.00	4,487	4.91	8,435	9.23	0	0.00	46,990	51.40	58,445	63.93	0	0.00
Somerset/Skylark	127,775	92.69	0	0.00	0	0.00	10,080	7.31	0	0.00	80,747	58.57	109,870	79.70	0	0.00
Century	182,263	66.40	92,244	33.60	0	0.00	0	0.00	0	0.00	215,387	78.46	236,570	86.18	0	0.00
LeSabre/Electra (rwd)	0	0.00	18,126	100.00	0	0.00	0	0.00	2,987	16.48	17,210	94.95	17,515	96.63	0	0.00
Electra (fwd)	0	0.00	119,854	100.00	0	0.00	0	0.00	0	0.00	118,618	98.97	110,335	92.06	9,019	7.52
Riviera	0	0.00	22,138	100.00	0	0.00	0	0.00	0	0.00	22,138	100.00	22,138	100.00	0	0.00
Cadillac Total	23,892	8.48	257,149	91.29	366	0.13	276	0.10	0	0.00	270,665	96.09	64,974	23.07	251,818	89.40
Cimarron	23,892	97.38	0	0.00	366	1.49	276	1.13	0	0.00	24,534	100.00	24,534	100.00	0	0.00
Seville	0	0.00	19,098	100.00	0	0.00	0	0.00	0	0.00	19,098	100.00	19,098	100.00	19,098	100.00
Eldorado	0	0.00	21,342	100.00	0	0.00	0	0.00	0	0.00	21,342	100.00	21,342	100.00	21,342	100.00
Fleetwood	0	0.00	49,137	100.00	0	0.00	0	0.00	0	0.00	47,698	97.07	0	0.00	48,498	98.70
DeVille (fwd)	0	0.00	167,572	100.00	0	0.00	0	0.00	0	0.00	157,993	94.28	0	0.00	162,880	97.20
Chevrolet Total	649,466	47.45	590,426	43.13	79,878	5.84	57,815	4.22	62,898	4.59	667,017	48.73	796,026	58.15	35,109	2.56
Chevette	73,096	70.80	0	0.00	25,399	24.60	4,542	4.40	0	0.00	0	0.00	6,608	6.40	0	0.00
Cavalier	371,175	85.90	0	0.00	38,025	8.80	22,901	5.30	0	0.00	104,568	24.20	178,890	41.40	0	0.00
Celebrity	147,343	60.90	93,632	38.70	9,678	4.00	0	0.00	0	0.00	146,133	60.40	165,730	68.50	0	0.00
Camaro	0	0.00	161,848	84.20	0	0.00	30,371	15.80	29,409	15.30	105,528	54.90	150,315	78.20	0	0.00
Monte Carlo	25,511	21.40	93,699	78.60	0	0.00	0	0.00	16,093	13.50	90,838	76.20	102,640	86.10	0	0.00
Caprice	32,342	13.20	212,914	86.90	0	0.00	0	0.00	17,395	7.10	185,719	75.80	191,844	78.30	0	0.00
Corvette	0	0.00	28,333	80.70	6,776	19.30	0	0.00	0	0.00	34,232	97.50	0	0.00	35,109	100.00
Oldsmobile Total	484,114	46.07	549,346	52.28	1,425	0.14	15,871	1.51	7,612	0.72	826,567	78.66	825,585	78.57	9,094	0.87
Firenza	42,555	91.12	0	0.00	1,425	3.05	2,721	5.83	0	0.00	12,516	26.80	29,468	63.10	0	0.00
Calais	138,141	91.31	0	0.00	0	0.00	13,150	8.69	0	0.00	87,240	57.66	116,191	76.80	0	0.00
Cutlass Ciera	189,892	66.02	97,730	33.98	0	0.00	0	0.00	0	0.00	219,129	76.19	249,081	86.60	0	0.00
Cutlass Supreme	113,526	67.05	55,781	32.95	0	0.00	0	0.00	4,903	2.90	138,198	81.63	152,715	90.20	0	0.00
Delta 88	0	0.00	234,266	100.00	0	0.00	0	0.00	0	0.00	211,358	90.22	219,039	93.50	0	0.00
88 (rwd-wagon)	0	0.00	21,073	100.00	0	0.00	0	0.00	2,709	12.86	19,760	93.77	19,872	94.30	0	0.00
Olds 98	0	0.00	124,572	100.00	0	0.00	0	0.00	0	0.00	122,441	98.29	23,295	18.70	9,094	7.30
Toronado	0	0.00	15,924	100.00	0	0.00	0	0.00	0	0.00	15,924	100.00	15,924	100.00	0	0.00
Pontiac Total	494,628	57.31	244,905	28.38	26,506	3.07	96,988	11.24	41,854	4.85	497,183	57.61	660,600	76.54	0	0.00
1000	14,521	66.95	0	0.00	5,021	23.15	2,147	9.90	0	0.00	0	0.00	0	0.00	0	0.00
2000 Sunbird	108,721	80.47	0	0.00	3,629	2.69	22,752	16.84	0	0.00	31,205	23.10	72,955	54.00	0	0.00
Fiero	42,105	50.14	0	0.00	17,856	21.26	24,013	28.60	0	0.00	44,069	52.48	62,729	74.70	0	0.00
Grand Am	192,160	85.94	0	0.00	0	0.00	31,436	14.06	0	0.00	126,531	56.59	176,864	79.10	0	0.00
Grand Prix*	20,888	47.17	23,396	52.83	0	0.00	0	0.00	3,057	6.90	30,490	68.85	38,350	86.60	0	0.00
Bonneville*	27,007	65.99	13,918	34.01	0	0.00	0	0.00	954	2.33	26,518	64.80	33,190	81.10	0	0.00
Firebird	0	0.00	93,843	84.94	0	0.00	16,640	15.06	32,215	29.16	72,889	65.97	96,673	87.50	0	0.00
Parisienne	6,727	7.91	78,361	92.09	0	0.00	0	0.00	5,628	6.61	75,914	89.22	79,047	92.90	0	0.00
6000	82,499	69.98	35,388	30.02	0	0.00	0	0.00	0	0.00	89,566	75.98	100,793	85.50	0	0.00
HONDA	101,580	56.09	0	0.00	0	0.00	79,521	43.91	0	0.00	167,496	92.49	181,101	100.00	0	0.00
Civic	1,373	48.00	0	0.00	0	0.00	1,487	52.00	0	0.00	0	0.00	2,860	100.00	0	0.00
Accord	100,208	56.22	0	0.00	0	0.00	78,033	43.78	0	0.00	167,496	93.97	178,241	100.00	0	0.00
NISSAN	10,929	21.53	0	0.00	0	0.00	39,834	78.47	0	0.00	0	0.00	21,980	43.30	0	0.00
NUMMI (Nova)	64,449	36.00	0	0.00	0	0.00	114,577	64.00	0	0.00	21,483	12.00	0	0.00	0	0.00
VOLKSWAGEN	15,253	17.87	0	0.00	0	0.00	70,097	82.13	0	0.00	9,142	10.71	0	0.00	0	0.00
Total Cars, U.S.	4,191,031	51.14	2,780,080	33.92	316,469	3.86	914,306	11.16	256,052	3.12	5,040,811	61.51	5,129,006	62.58	342,386	4.18

NOTE: *—Based on North American production.

OPTIONS/EQUIPMENT

RADIO, INSTRUMENT OPTIONS ON 1986 U.S.MODELS

	AM Radio	Percent of Output	AM/FM Radio (Mono)	Percent of Output	AM/FM Stereo Radio	Percent of Output	AM/FM Stereo w/Cassette	Percent of Output	AM/FM Stereo w/Cassette & Graphic Equalizer	Percent of Output	Digital Clocks	Percent of Output	Electronic Instrument Cluster	Percent of Output	Electronic Information Display	Percent of Output
AMERICAN MOTORS	9,177	12.56	6,718	9.19	19,906	27.23	5,875	8.04	0	0.00	32,789	44.86	676	0.93	0	0.00
Eagle*	0	0.00	295	3.59	5,389	65.58	1,760	21.42	0	0.00	7,412	90.20	0	0.00	0	0.00
Renault Total	9,177	14.15	6,423	9.90	14,517	22.38	4,115	6.34	0	0.00	25,377	39.12	676	1.04	0	0.00
Alliance	7,518	13.47	5,432	9.73	13,110	23.49	3,220	5.77	0	0.00	21,465	38.45	0	0.00	0	0.00
Encore	1,659	18.33	991	10.95	1,407	15.54	895	9.89	0	0.00	3,913	43.23	676	7.47	0	0.00
CHRYSLER MOTORS	45,746	3.91	0	0.00	754,704	64.57	231,169	19.78	88,182	7.54	1,119,827	95.81	121,063	10.36	173,229	14.82
Plymouth Total	23,034	6.57	0	0.00	277,237	79.08	25,309	7.22	831	0.24	326,409	93.11	0	0.00	0	0.00
Horizon	1,423	1.46	0	0.00	81,303	83.15	2,313	2.37	0	0.00	85,039	86.97	0	0.00	0	0.00
Turismo	406	0.88	0	0.00	36,968	79.69	5,011	10.80	271	0.58	42,656	91.95	0	0.00	0	0.00
Reliant	15,036	9.80	0	0.00	121,152	79.00	10,376	6.77	0	0.00	146,562	95.57	0	0.00	0	0.00
Caravelle	3,784	8.58	0	0.00	32,912	74.61	6,913	15.67	501	1.14	44,110	100.00	0	0.00	0	0.00
Gran Fury	2,385	26.71	0	0.00	4,901	54.87	696	7.80	59	0.66	8,042	90.04	0	0.00	0	0.00
Chrysler Total	1,894	0.51	0	0.00	167,475	45.52	131,027	35.62	67,472	18.34	367,898	100.00	111,944	30.43	116,602	31.69
Laser	0	0.00	0	0.00	17,977	41.60	17,725	41.02	7,508	17.38	43,210	100.00	10,086	23.34	33,124	76.66
LeBaron K	0	0.00	0	0.00	54,863	56.70	29,345	30.33	12,540	12.96	96,760	100.00	7,473	7.72	0	0.00
LeBaron GTS	0	0.00	0	0.00	47,858	57.33	24,998	29.95	10,610	12.71	83,478	100.00	34,852	41.75	83,478	100.00
New Yorker E-Class	0	0.00	0	0.00	14,958	25.13	26,994	45.34	17,580	29.53	59,533	100.00	59,533	100.00	0	0.00
Fifth Avenue	1,894	2.23	0	0.00	31,819	37.47	31,965	37.64	19,234	22.65	84,917	100.00	0	0.00	0	0.00
Dodge Total	20,818	4.62	0	0.00	309,992	68.83	74,833	16.62	19,879	4.41	425,520	94.48	9,118	2.02	56,627	12.57
Omni	1,254	1.46	0	0.00	69,112	80.32	3,743	4.35	0	0.00	74,109	86.13	0	0.00	0	0.00
Charger	621	1.23	0	0.00	35,399	69.88	9,700	19.15	976	1.93	46,696	92.18	0	0.00	0	0.00
Aries	12,738	10.43	0	0.00	94,313	77.20	8,636	7.07	0	0.00	115,684	94.69	0	0.00	0	0.00
Daytona	0	0.00	0	0.00	19,747	42.23	19,395	41.48	7,618	16.29	46,761	100.00	0	0.00	0	0.00
Dodge 600	1,531	2.19	0	0.00	46,564	66.56	16,703	23.88	5,158	7.37	69,956	100.00	5,579	7.97	0	0.00
Lancer	0	0.00	0	0.00	38,153	67.38	13,323	23.53	5,151	9.10	56,627	100.00	3,540	6.25	56,627	100.00
Diplomat	4,675	25.75	0	0.00	6,705	36.93	3,332	18.35	976	5.38	15,687	86.42	0	0.00	0	0.00
FORD MOTOR	85,494	4.18	0	0.00	829,576	40.60	990,035	48.46	34,552	1.69	1,332,687	65.23	159,389	7.80	29,205	1.43
Ford Division	83,868	6.09	0	0.00	653,059	47.41	545,719	39.61	9,135	0.66	866,211	62.88	68,090	4.94	0	0.00
Escort/EXP	52,639	13.49	0	0.00	229,102	58.71	64,985	16.65	0	0.00	246,221	63.10	0	0.00	0	0.00
Tempo	8,958	5.39	0	0.00	87,005	52.39	46,549	28.03	0	0.00	160,763	96.80	0	0.00	0	0.00
Mustang	0	0.00	0	0.00	94,320	42.03	122,802	54.72	0	0.00	0	0.00	0	0.00	0	0.00
Thunderbird	0	0.00	0	0.00	20,889	12.74	131,706	80.33	9,135	5.57	139,921	85.34	27,295	16.65	0	0.00
Taurus	5,029	2.13	0	0.00	112,221	47.48	116,996	49.50	0	0.00	216,617	91.65	40,795	17.26	0	0.00
Crown Victoria*	11,640	9.38	0	0.00	56,598	45.63	49,663	40.04	0	0.00	49,913	40.24	0	0.00	0	0.00
LTD	5,602	7.73	0	0.00	52,924	73.02	13,018	17.96	0	0.00	52,776	72.81	0	0.00	0	0.00
L-M Division	1,626	0.24	0	0.00	176,517	26.52	444,316	66.76	25,417	3.82	466,476	70.09	91,299	13.72	29,205	4.39
Mercury Total	1,626	0.32	0	0.00	176,517	34.70	287,477	56.52	25,417	5.00	309,637	60.87	25,848	5.08	10,193	2.00
Lynx	1,226	1.71	0	0.00	43,362	60.60	12,187	17.03	0	0.00	44,581	62.30	0	0.00	0	0.00
Topaz	0	0.00	0	0.00	12,364	26.49	34,029	72.89	0	0.00	34,269	73.41	0	0.00	0	0.00
Capri	0	0.00	0	0.00	11,207	53.70	9,198	44.08	0	0.00	20,869	100.00	0	0.00	0	0.00
Marquis	400	1.40	0	0.00	21,637	75.70	6,517	22.80	0	0.00	22,666	79.30	0	0.00	0	0.00
Cougar	0	0.00	0	0.00	23,858	17.55	112,397	82.70	0	0.00	41,589	30.60	8,154	6.00	10,193	7.50
Grand Marquis*	0	0.00	0	0.00	39,415	36.02	43,980	40.19	25,417	23.23	65,710	60.05	0	0.00	0	0.00
Sable	0	0.00	0	0.00	24,674	25.80	69,169	72.32	0	0.00	79,954	83.60	17,693	18.50	0	0.00
Lincoln Total	0	0.00	0	0.00	0	0.00	156,839	100.00	0	0.00	156,839	100.00	65,451	41.73	19,012	12.12
Mark VII	0	0.00	0	0.00	0	0.00	20,056	100.00	0	0.00	20,056	100.00	20,056	100.00	0	0.00
Continental	0	0.00	0	0.00	0	0.00	19,012	100.00	0	0.00	19,012	100.00	19,012	100.00	19,012	100.00
Lincoln	0	0.00	0	0.00	0	0.00	117,771	100.00	0	0.00	117,771	100.00	26,383	22.40	0	0.00
GENERAL MOTORS	232,492	5.27	15,101	0.34	1,244,493	28.19	2,047,517	46.38	413,389	9.36	3,084,249	69.87	397,769	9.01	377,119	8.54
Buick Total	21,304	2.51	0	0.00	266,433	31.34	492,635	57.95	62,035	7.30	776,890	91.39	177,931	20.93	22,138	2.60
Regal	2,349	2.57	0	0.00	19,856	21.77	62,431	68.43	5,507	6.04	81,235	89.04	3,207	3.52	0	0.00
LeSabre (fwd)	1,532	1.61	0	0.00	31,472	33.14	55,435	58.37	5,862	6.17	92,769	97.68	3,355	3.53	0	0.00
Skyhawk	5,748	6.29	0	0.00	40,905	44.74	42,638	46.64	996	1.09	73,169	80.04	0	0.00	0	0.00
Somerset/Skylark	2,057	1.49	0	0.00	78,121	56.67	47,434	34.41	7,882	5.72	135,494	98.29	137,855	100.00	0	0.00
Century	9,100	3.32	0	0.00	80,627	29.37	176,602	64.33	6,022	2.19	234,910	85.58	5,520	2.01	0	0.00
LeSabre/Electra (rwd)	518	2.86	0	0.00	2,282	12.59	13,164	72.62	2,109	11.64	17,555	96.85	0	0.00	0	0.00
Electra (fwd)	0	0.00	0	0.00	11,572	9.66	90,963	75.89	17,085	14.25	119,620	99.80	5,856	4.89	0	0.00
Riviera	0	0.00	0	0.00	1,598	7.22	3,968	17.92	16,572	74.86	22,138	100.00	22,138	100.00	22,138	100.00
Cadillac Total	0	0.00	0	0.00	44,090	15.65	189,735	67.36	43,876	15.58	281,683	100.00	112,916	40.09	257,149	91.29
Cimarron	0	0.00	0	0.00	4,215	17.18	0	0.00	19,733	80.43	24,534	100.00	11,846	48.28	0	0.00
Seville	0	0.00	0	0.00	1,008	5.28	12,472	65.31	5,618	29.42	19,098	100.00	19,098	100.00	19,098	100.00
Eldorado	0	0.00	0	0.00	1,432	6.71	14,015	65.67	5,895	27.62	21,342	100.00	21,342	100.00	21,342	100.00
Fleetwood	0	0.00	0	0.00	7,628	15.52	38,450	78.25	0	0.00	49,137	100.00	0	0.00	49,137	100.00
DeVille (fwd)	0	0.00	0	0.00	29,807	17.79	124,798	74.47	12,630	7.54	167,572	100.00	60,630	36.18	167,572	100.00
Chevrolet Total	169,202	12.36	9,085	0.66	293,180	21.42	346,250	25.30	125,840	9.19	468,043	34.19	44,615	3.26	35,109	2.56
Chevette	63,908	61.90	9,085	8.80	16,829	16.30	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Cavalier	60,926	14.10	0	0.00	123,149	28.50	67,408	15.60	0	0.00	130,062	30.10	9,506	2.20	0	0.00
Celebrity	16,936	7.00	0	0.00	5,565	2.30	49,598	20.50	0	0.00	106,212	43.90	0	0.00	0	0.00
Camaro	4,613	2.40	0	0.00	52,092	27.10	73,428	38.20	52,092	27.10	33,639	17.50	0	0.00	0	0.00
Monte Carlo	3,218	2.70	0	0.00	31,352	26.30	66,042	55.40	0	0.00	14,544	12.20	0	0.00	0	0.00
Caprice	19,601	8.00	0	0.00	64,193	26.20	57,088	23.30	73,748	30.10	148,477	60.60	0	0.00	0	0.00
Corvette	0	0.00	0	0.00	0	0.00	32,687	93.10	0	0.00	35,109	100.00	35,109	100.00	35,109	100.00
Oldsmobile Total	5,347	0.51	0	0.00	287,008	27.31	676,077	64.34	72,800	6.93	875,171	83.29	40,675	3.87	0	0.00
Firenza	3,583	7.67	0	0.00	29,246	62.62	13,171	28.20	0	0.00	0	0.00	0	0.00	0	0.00
Calais	396	0.26	0	0.00	49,029	32.41	93,597	61.87	6,467	4.27	148,870	98.40	3,396	2.24	0	0.00
Cutlass Ciera	918	0.32	0	0.00	81,960	28.50	189,396	65.85	12,396	4.31	201,623	70.10	9,331	3.24	0	0.00
Cutlass Supreme	450	0.27	0	0.00	62,300	36.80	97,356	57.50	7,404	4.37	159,657	94.30	0	0.00	0	0.00
Delta 88	0	0.00	0	0.00	52,950	22.60	159,446	68.06	19,775	8.44	231,923	99.00	12,975	5.54	0	0.00
88 (rwd-wagon)	0	0.00	0	0.00	2,975	14.12	17,981	85.33	0	0.00	1,580	7.50	0	0.00	0	0.00
Olds 98	0	0.00	0	0.00	8,110	6.51	96,287	77.29	20,116	16.15	124,447	99.90	14,973	12.02	0	0.00
Toronado	0	0.00	0	0.00	438	2.75	8,845	55.54	6,641	41.71	7,070	44.40	0	0.00	0	0.00
Pontiac Total	36,640	4.25	6,016	0.70	353,783	40.99	342,819	39.72	108,839	12.61	682,462	79.08	21,631	2.51	62,723	7.27
1000	9,589	44.21	6,016	27.74	5,189	23.92	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
2000 Sunbird	9,523	7.05	0	0.00	74,488	55.14	42,118	31.17	4,539	3.36	96,833	71.67	0	0.00	0	0.00
Fiero	872	1.04	0	0.00	19,121	22.77	39,291	46.79	23,551	28.05	81,963	97.61	0	0.00	0	0.00
Grand Am	6,959	3.11	0	0.00	94,819	42.41	94,129	42.10	24,162	10.81	212,753	95.15	0	0.00	47,794	21.38
Grand Prix*	1,161	2.62	0	0.00	19,109	43.15	20,192	45.60	3,260	7.36	5,937	13.41	0	0.00	0	0.00
Bonneville*	1,382	3.38	0	0.00	27,034	66.06	11,134	27.21	755	1.84	1,373	3.35	0	0.00	0	0.00
Firebird	1,912	1.73	0	0.00	23,535	21.30	56,399	51.05	26,372	23.87	103,006	93.23	878	0.79	0	0.00
Parisienne	1,271	1.49	0	0.00	34,378	40.40	41,936	49.29	6,968	8.19	83,282	97.88	0	0.00	0	0.00
6000	3,970	3.37	0	0.00	56,109	47.60	37,619	31.91	19,232	16.31	97,314	82.55	20,754	17.60	14,930	12.66
HONDA	0	0.00	0	0.00	0	0.00	130,987	72.33	0	0.00	181,101	100.00	0	0.00	0	0.00
Civic	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2,860	100.00	0	0.00	0	0.00
Accord	0	0.00	0	0.00	0	0.00	130,987	73.49	0	0.00	178,241	100.00	0	0.00	0	0.00
NISSAN	0	0.00	0	0.00	15,821	31.17	0	0.00	0	0.00	21,980	43.30	0	0.00	0	0.00
NUMMI (Nova)	44,757	25.00	0	0.00	112,786	63.00	21,483	12.00	0	0.00	112,786	63.00	0	0.00	0	0.00
VOLKSWAGEN	0	0.00	0	0.00	14,582	17.09	10,077	11.81	10,077	11.81	75,409	88.35	85,350	100.00	0	0.00
Total Cars, U.S.	417,667	5.10	21,819	0.27	2,991,868	36.51	3,437,143	41.94	546,201	6.66	5,960,827	72.73	764,246	9.33	579,553	7.07

NOTE: *—Based on North American production.

OPTIONS/EQUIPMENT

ENGINE, FUEL INJECTION AND TURBOCHARGING OPTIONS ON 1986 U.S. MODELS

	V-8 gasoline	Percent of Output	V-8 diesel	Percent of Output	V-6 gasoline	Percent of Output	6-cylinder gasoline	Percent of Output	V-6 or 6-cylinder diesel	Percent of Output	4-cylinder gasoline	Percent of Output	4-cylinder diesel	Percent of Output	Turbo-charging	Percent of Output	Fuel Injection	Percent of Output
AMERICAN MOTORS	0	0.00	0	0.00	0	0.00	8,217	11.24	0	0.00	64,873	88.76	0	0.00	0	0.00	64,873	88.76
Eagle*	0	0.00	0	0.00	0	0.00	8,217	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Renault Total	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	64,873	100.00	0	0.00	0	0.00	64,873	100.00
Alliance	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	55,821	100.00	0	0.00	0	0.00	55,821	100.00
Encore	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	9,052	100.00	0	0.00	0	0.00	9,052	100.00
CHRYSLER MOTORS	112,001	9.58	0	0.00	0	0.00	0	0.00	0	0.00	1,056,835	90.42	0	0.00	207,718	17.77	685,114	58.62
Plymouth Total	8,931	2.55	0	0.00	0	0.00	0	0.00	0	0.00	341,642	97.45	0	0.00	7,106	2.03	91,560	26.12
Horizon	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	97,778	100.00	0	0.00	0	0.00	0	0.00
Turismo	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	46,392	100.00	0	0.00	0	0.00	0	0.00
Reliant	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	153,362	100.00	0	0.00	0	0.00	47,450	30.94
Caravelle	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	44,110	100.00	0	0.00	7,106	16.11	44,110	100.00
Gran Fury	8,931	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Chrysler Total	84,917	23.08	0	0.00	0	0.00	0	0.00	0	0.00	282,981	76.92	0	0.00	127,923	34.77	282,981	76.92
Laser	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	43,210	100.00	0	0.00	20,840	48.23	43,210	100.00
LeBaron K	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	96,760	100.00	0	0.00	23,638	24.43	96,760	100.00
LeBaron GTS	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	83,478	100.00	0	0.00	41,272	49.44	83,478	100.00
New Yorker/E-Class	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	59,533	100.00	0	0.00	42,173	70.84	59,533	100.00
Fifth Avenue	84,917	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Dodge Total	18,153	4.03	0	0.00	0	0.00	0	0.00	0	0.00	432,212	95.97	0	0.00	72,688	16.14	310,573	68.96
Omni	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	86,046	100.00	0	0.00	3,210	3.73	4,242	4.93
Charger	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	50,655	100.00	0	0.00	7,664	15.13	10,820	21.36
Aries	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	122,167	100.00	0	0.00	0	0.00	122,167	100.00
Daytona	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	46,761	100.00	0	0.00	22,913	49.00	46,761	100.00
Dodge 600	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	69,956	100.00	0	0.00	17,293	24.72	69,956	100.00
Lancer	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	56,627	100.00	0	0.00	21,609	38.16	56,627	100.00
Diplomat	18,153	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
FORD MOTOR	509,086	24.92	0	0.00	637,921	31.22	4,633	0.23	0	0.00	883,246	43.23	8,117	0.40	31,872	1.56	1,438,372	70.40
Ford Division	215,089	15.61	0	0.00	410,013	29.76	0	0.00	0	0.00	745,811	54.14	6,585	0.48	25,063	1.82	859,384	62.38
Escort/EXP	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	385,427	98.77	4,761	1.22	0	0.00	35,237	9.03
Tempo	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	164,766	99.21	1,295	0.78	0	0.00	164,766	99.21
Mustang	59,504	26.52	0	0.00	43,468	19.37	0	0.00	0	0.00	121,428	54.11	0	0.00	3,748	1.67	102,959	45.88
Thunderbird	31,548	19.24	0	0.00	111,103	67.76	0	0.00	0	0.00	21,315	13.00	0	0.00	21,315	13.00	142,650	87.00
Taurus	0	0.00	0	0.00	183,488	77.63	0	0.00	0	0.00	52,874	22.37	0	0.00	0	0.00	236,362	100.00
Crown Victoria*	124,037	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	105,456	85.02
LTD	0	0.00	0	0.00	71,954	99.27	0	0.00	0	0.00	0	0.00	529	0.73	0	0.00	71,954	99.27
L-M Division	293,997	44.18	0	0.00	227,908	34.25	4,633	0.70	0	0.00	137,435	20.65	1,532	0.23	6,809	1.02	578,987	87.00
Mercury Total	137,158	26.96	0	0.00	227,908	44.81	4,633	0.91	0	0.00	137,435	27.02	1,532	0.30	6,809	1.34	422,148	82.99
Lynx	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	70,779	98.91	780	1.09	0	0.00	5,360	7.49
Topaz	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	45,931	98.39	752	1.61	0	0.00	45,931	98.39
Capri	3,840	18.40	0	0.00	0	0.00	4,633	22.20	0	0.00	12,396	59.40	0	0.00	0	0.00	8,475	40.61
Marquis	0	0.00	0	0.00	28,210	98.70	0	0.00	0	0.00	372	1.30	0	0.00	0	0.00	28,210	98.70
Cougar	23,898	17.58	0	0.00	105,207	77.41	0	0.00	0	0.00	6,809	5.01	0	0.00	6,809	5.01	129,114	95.00
Grand Marquis*	109,420	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	109,420	100.00
Sable	0	0.00	0	0.00	94,490	98.80	0	0.00	0	0.00	1,148	1.20	0	0.00	0	0.00	95,638	100.00
Lincoln Total	156,839	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	156,839	100.00
Mark VII	20,056	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	20,056	100.00
Continental	19,012	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	19,012	100.00
Lincoln	117,771	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	117,771	100.00
GENERAL MOTORS	1,042,042	23.61	0	0.00	1,616,664	36.62	20,903	0.47	0	0.00	1,566,862	35.49	206	.00	22,327	0.51	3,077,513	69.72
Buick Total	74,125	8.72	0	0.00	442,697	52.08	0	0.00	0	0.00	227,824	26.80	0	0.00	10,168	1.20	652,872	76.80
Regal	55,999	61.38	0	0.00	35,233	38.62	0	0.00	0	0.00	0	0.00	0	0.00	7,891	8.65	7,901	8.66
LeSabre (fwd)	0	0.00	0	0.00	94,972	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	94,972	100.00
Skyhawk	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	91,421	100.00	0	0.00	2,276	2.49	91,421	100.00
Somerset/Skylark	0	0.00	0	0.00	32,396	23.50	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	137,855	100.00
Century	0	0.00	0	0.00	138,104	50.31	0	0.00	0	0.00	136,403	49.69	0	0.00	0	0.00	178,732	65.11
LeSabre/Electra (rwd)	18,126	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Electra (fwd)	0	0.00	0	0.00	119,854	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	119,854	100.00
Riviera	0	0.00	0	0.00	22,138	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	22,138	100.00
Cadillac Total	257,149	91.29	0	0.00	0	0.00	20,903	7.42	0	0.00	3,631	1.29	0	0.00	0	0.00	232,546	82.56
Cimarron	0	0.00	0	0.00	0	0.00	20,903	85.20	0	0.00	3,631	14.80	0	0.00	0	0.00	24,534	100.00
Seville	19,098	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	19,098	100.00
Eldorado	21,342	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	21,342	100.00
Fleetwood	49,137	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
DeVille (fwd)	167,572	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	167,572	100.00
Chevrolet Total	407,849	29.80	0	0.00	318,184	23.24	0	0.00	0	0.00	600,992	43.91	206	0.02	0	0.00	807,114	58.96
Chevette	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	103,038	99.80	206	0.20	0	0.00	206	0.20
Cavalier	0	0.00	0	0.00	42,778	9.90	0	0.00	0	0.00	389,323	90.10	0	0.00	0	0.00	432,101	100.00
Celebrity	0	0.00	0	0.00	133,310	55.10	0	0.00	0	0.00	108,632	44.90	0	0.00	0	0.00	150,004	62.00
Camaro	117,254	61.00	0	0.00	74,965	39.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	122,444	63.70
Monte Carlo	46,492	39.00	0	0.00	31,114	26.10	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	31,233	26.20
Caprice	208,994	85.30	0	0.00	36,017	14.70	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	36,017	14.70
Corvette	35,109	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	35,109	100.00
Oldsmobile Total	122,794	11.69	0	0.00	586,198	55.79	0	0.00	0	0.00	320,737	30.52	0	0.00	0	0.00	770,063	73.29
Firenza	0	0.00	0	0.00	1,027	2.20	0	0.00	0	0.00	45,674	97.80	0	0.00	0	0.00	46,701	100.00
Calais	0	0.00	0	0.00	32,981	21.80	0	0.00	0	0.00	118,310	78.20	0	0.00	0	0.00	151,291	100.00
Cutlass Ciera	0	0.00	0	0.00	130,868	45.50	0	0.00	0	0.00	156,754	54.50	0	0.00	0	0.00	197,309	68.60
Cutlass Supreme	122,794	72.53	0	0.00	46,559	27.50	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Delta 88	0	0.00	0	0.00	234,266	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	234,266	100.00
88 (rwd-wagon)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Olds 98	0	0.00	0	0.00	124,572	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	124,572	100.00
Toronado	0	0.00	0	0.00	15,924	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	15,924	100.00
Pontiac Total	180,124	20.87	0	0.00	269,584	31.24	0	0.00	0	0.00	413,678	47.93	0	0.00	12,159	1.41	614,919	71.25
1000	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	21,689	100.00	0	0.00	0	0.00	0	0.00
2000 Sunbird	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	135,101	100.00	0	0.00	12,159	9.00	135,101	100.00
Fiero	0	0.00	0	0.00	45,934	54.70	0	0.00	0	0.00	38,040	45.30	0	0.00	0	0.00	83,974	100.00
Grand Am	0	0.00	0	0.00	62,383	27.90	0	0.00	0	0.00	161,436	72.20	0	0.00	0	0.00	223,596	100.00
Grand Prix*	23,396	52.83	0	0.00	20,902	47.20	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2,613	5.90
Bonneville*	13,918	34.01	0	0.00	27,011	66.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3,069	7.50
Firebird	64,455	58.34	0	0.00	46,071	41.70	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	68,278	61.80
Parisienne	78,355	92.09	0	0.00	6,807	8.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	6,807	8.00
6000	0	0.00	0	0.00	60,476	51.30	0	0.00	0	0.00	57,411	48.70	0	0.00	0	0.00	91,480	77.60
HONDA	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	181,101	100.00	0	0.00	0	0.00	57,750	31.89
Civic	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2,860	100.00	0	0.00	0	0.00	0	0.00
Accord	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	178,241	100.00	0	0.00	0	0.00	57,750	32.40
NISSAN	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	50,763	100.00	0	0.00	0	0.00	0	0.00
NUMMI (Nova)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	179,026	100.00	0	0.00	0	0.00	0	0.00
VOLKSWAGEN	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	75,449	88.40	9,901	11.60	0	0.00	75,449	88.40
Total Cars, U.S.	1,663,129	20.29	0	0.00	2,254,584	27.51	33,753	0.41	0	0.00	4,058,155	49.52	18,224	0.22	261,917	3.20	5,399,072	65.88

NOTE: *—Based on North American production.

OPTIONS/EQUIPMENT

AIR CONDITIONING, TIRE, WHEEL AND WINDSHIELD WIPER OPTIONS ON 1986 U.S. MODELS

	Air Conditioning	Percent of Output	Automatic Temperature Control	Percent of Output	Intermittent Windshield Wipers	Percent of Output	Steel Belted Radials	Percent of Output	Glass Belted Radials	Percent of Output	White Sidewalls	Percent of Output	Styled Wheels	Percent of Output
AMERICAN MOTORS	39,119	53.52	0	0.00	13,970	19.11	39,510	54.06	33,580	45.94	7,413	10.14	14,856	20.33
Eagle*	7,013	85.35	0	0.00	4,808	58.51	6,109	74.35	2,108	25.65	7,413	90.22	1,692	20.59
Renault Total	32,106	49.49	0	0.00	9,162	14.12	33,401	51.49	31,472	48.51	0	0.00	13,164	20.29
Alliance	27,883	49.95	0	0.00	7,246	12.98	28,999	51.95	26,822	48.05	0	0.00	5,582	10.00
Encore	4,224	46.66	0	0.00	1,916	21.17	4,402	48.63	4,650	51.37	0	0.00	7,582	83.76
CHRYSLER MOTORS	817,486	69.94	169,927	14.54	1,124,550	96.21	1,168,836	100.00	0	0.00	582,533	49.84	149,625	12.80
Plymouth Total	260,706	74.37	8,573	2.45	331,230	94.48	350,573	100.00	0	0.00	151,393	43.18	5,400	1.54
Horizon	56,799	58.09	0	0.00	97,778	100.00	97,778	100.00	0	0.00	29,461	30.13	0	0.00
Turismo	28,234	60.86	0	0.00	46,392	100.00	46,392	100.00	0	0.00	12,034	25.94	2,640	5.69
Reliant	133,548	87.08	0	0.00	141,062	91.98	153,362	100.00	0	0.00	59,827	39.01	2,761	1.80
Caravelle	42,125	95.50	0	0.00	38,102	86.38	44,110	100.00	0	0.00	44,110	100.00	0	0.00
Gran Fury	0	0.00	8,573	95.99	7,895	88.40	8,931	100.00	0	0.00	5,961	66.75	0	0.00
Chrysler Total	212,164	57.67	143,896	39.11	364,752	99.14	367,898	100.00	0	0.00	256,178	69.63	75,171	20.43
Laser	38,479	89.05	0	0.00	43,210	100.00	43,210	100.00	0	0.00	0	0.00	20,456	47.34
LeBaron K	92,870	95.98	0	0.00	96,760	100.00	96,760	100.00	0	0.00	96,760	100.00	3,899	4.03
LeBaron GTS	80,815	96.81	0	0.00	81,750	97.93	83,478	100.00	0	0.00	14,968	17.93	33,024	39.56
New Yorker/E-Class	0	0.00	58,979	99.07	59,533	100.00	59,533	100.00	0	0.00	59,533	100.00	4,018	6.75
Fifth Avenue	0	0.00	84,917	100.00	83,499	98.33	84,917	100.00	0	0.00	84,917	100.00	13,774	16.22
Dodge Total	344,616	76.52	17,458	3.88	428,569	95.16	450,365	100.00	0	0.00	174,962	38.85	69,054	15.33
Omni	50,182	58.32	0	0.00	86,046	100.00	86,046	100.00	0	0.00	25,349	29.46	4,242	4.93
Charger	31,406	62.00	0	0.00	50,655	100.00	50,655	100.00	0	0.00	11,190	22.09	9,893	19.53
Aries	103,903	85.05	0	0.00	111,367	91.16	122,167	100.00	0	0.00	52,935	43.33	3,201	2.62
Daytona	39,448	84.36	0	0.00	46,761	100.00	46,761	100.00	0	0.00	0	0.00	28,216	60.34
Dodge 600	66,283	94.75	0	0.00	62,932	89.96	69,956	100.00	0	0.00	62,869	89.87	4,638	6.63
Lancer	53,394	94.29	0	0.00	54,696	96.59	56,627	100.00	0	0.00	11,110	19.62	18,353	32.41
Diplomat	0	0.00	17,458	96.17	16,111	88.75	18,153	100.00	0	0.00	11,509	63.40	512	2.82
FORD MOTOR	1,407,068	68.87	289,626	14.18	1,721,037	84.24	2,043,061	100.00	0	0.00	986,102	48.27	621,427	30.42
Ford Division	1,005,959	73.02	81,360	5.91	1,145,201	83.13	1,377,562	100.00	0	0.00	517,162	37.54	311,880	22.64
Escort/EXP	191,719	49.13	0	0.00	255,287	65.42	390,227	100.00	0	0.00	53,461	13.70	26,613	6.82
Tempo	135,686	81.70	0	0.00	160,747	96.79	166,078	100.00	0	0.00	53,959	32.49	24,330	14.65
Mustang	172,796	77.00	0	0.00	224,410	100.00	224,410	100.00	0	0.00	78,947	35.18	116,940	52.11
Thunderbird	140,338	85.59	21,381	13.04	142,863	87.13	163,965	100.00	0	0.00	86,459	52.73	97,264	59.32
Taurus	197,339	83.49	33,658	14.24	219,060	92.68	236,362	100.00	0	0.00	74,170	31.38	28,434	12.03
Crown Victoria*	96,600	77.88	26,321	21.22	100,954	81.39	124,037	100.00	0	0.00	102,554	82.68	12,825	10.34
LTD	71,483	98.62	0	0.00	41,881	57.78	72,483	100.00	0	0.00	67,612	93.28	5,472	7.55
L-M Division	401,109	60.27	208,266	31.29	575,836	86.53	665,499	100.00	0	0.00	468,940	70.46	309,547	46.51
Mercury Total	401,109	78.86	51,427	10.11	418,997	82.37	508,660	100.00	0	0.00	312,101	61.36	152,708	30.02
Lynx	36,567	51.10	0	0.00	44,724	62.50	71,559	100.00	0	0.00	10,304	14.40	5,224	7.30
Topaz	33,705	72.20	0	0.00	23,794	50.97	46,683	100.00	0	0.00	11,857	25.40	7,857	16.83
Capri	15,067	72.20	0	0.00	20,869	100.00	20,869	100.00	0	0.00	8,055	38.60	3,840	18.40
Marquis	28,439	99.50	0	0.00	23,432	81.98	28,582	100.00	0	0.00	28,411	99.40	2,487	8.70
Cougar	131,968	97.10	3,262	2.40	119,464	87.90	135,909	100.00	0	0.00	120,144	88.40	42,268	31.10
Grand Marquis*	72,731	66.47	36,689	33.53	101,214	92.50	109,420	100.00	0	0.00	109,420	100.00	37,093	33.90
Sable	82,631	86.40	11,477	12.00	85,500	89.40	95,638	100.00	0	0.00	23,910	25.00	53,940	56.40
Lincoln Total	0	0.00	156,839	100.00	156,839	100.00	156,839	100.00	0	0.00	156,839	100.00	156,839	100.00
Mark VII	0	0.00	20,056	100.00	20,056	100.00	20,056	100.00	0	0.00	20,056	100.00	20,056	100.00
Continental	0	0.00	19,012	100.00	19,012	100.00	19,012	100.00	0	0.00	19,012	100.00	19,012	100.00
Lincoln	0	0.00	117,771	100.00	117,771	100.00	117,771	100.00	0	0.00	117,771	100.00	117,771	100.00
GENERAL MOTORS	3,564,873	80.76	603,719	13.68	2,826,226	64.02	4,131,811	93.60	282,594	6.40	2,889,041	65.45	1,128,595	25.57
Buick Total	717,010	84.34	103,700	12.20	668,281	78.61	850,103	100.00	0	0.00	731,364	86.03	155,738	18.32
Regal	85,455	93.67	4,178	4.58	71,634	78.52	91,230	100.00	0	0.00	83,329	91.34	22,205	24.34
LeSabre (fwd)	85,076	89.58	9,896	10.42	90,670	95.47	94,972	100.00	0	0.00	83,974	88.42	17,266	18.18
Skyhawk	77,013	84.24	9	0.01	55,465	60.67	91,421	100.00	0	0.00	60,941	66.66	19,317	21.13
Somerset/Skylark	130,990	95.02	0	0.00	78,246	56.76	137,855	100.00	0	0.00	104,756	75.99	38,117	27.65
Century	267,974	97.62	0	0.00	213,292	77.70	274,507	100.00	0	0.00	252,739	92.07	25,310	9.22
LeSabre/Electra (rwd)	11,660	64.33	6,466	35.67	17,480	96.44	18,126	100.00	0	0.00	18,126	100.00	10,559	58.25
Electra (fwd)	58,842	49.09	61,012	50.91	119,356	99.58	119,854	100.00	0	0.00	110,073	91.84	17,085	14.25
Riviera	0	0.00	22,138	100.00	22,138	100.00	22,138	100.00	0	0.00	17,425	78.71	5,879	26.56
Cadillac Total	0	0.00	281,683	100.00	275,468	97.79	281,693	100.00	0	0.00	217,967	77.38	55,218	19.60
Cimarron	0	0.00	24,534	100.00	24,534	100.00	24,534	100.00	0	0.00	2,699	11.00	6,232	25.40
Seville	0	0.00	19,098	100.00	19,098	100.00	19,098	100.00	0	0.00	1,623	8.50	19,098	100.00
Eldorado	0	0.00	21,342	100.00	21,342	100.00	21,342	100.00	0	0.00	1,963	9.20	21,342	100.00
Fleetwood Brougham	0	0.00	49,137	100.00	47,614	96.90	49,137	100.00	0	0.00	49,137	100.00	0	0.00
DeVille (fwd)	0	0.00	167,572	100.00	162,880	97.20	167,572	100.00	0	0.00	162,545	97.00	8,546	5.10
Chevrolet Total	1,195,548	87.34	16,255	1.19	639,714	46.73	1,086,242	79.36	282,594	20.64	676,408	49.41	272,007	19.87
Chevette	51,209	49.60	0	0.00	0	0.00	103,244	100.00	0	0.00	0	0.00	0	0.00
Cavalier	356,915	82.60	0	0.00	123,581	28.60	149,507	34.60	282,594	65.40	219,507	50.80	40,617	9.40
Celebrity	231,055	95.50	0	0.00	123,632	51.10	241,942	100.00	0	0.00	162,585	67.20	12,581	5.20
Camaro	179,340	93.30	0	0.00	107,066	55.70	192,219	100.00	0	0.00	1,346	0.70	92,265	48.00
Monte Carlo	116,349	97.60	0	0.00	82,493	69.20	119,210	100.00	0	0.00	77,606	65.10	91,434	76.70
Caprice	241,826	98.70	0	0.00	167,833	68.50	245,011	100.00	0	0.00	215,365	87.90	0	0.00
Corvette	18,854	53.70	16,255	46.30	35,109	100.00	35,109	100.00	0	0.00	0	0.00	35,109	100.00
Oldsmobile Total	837,271	79.68	186,226	17.72	753,762	71.74	1,050,756	100.00	0	0.00	919,644	87.52	249,328	23.73
Firenza	37,221	79.70	0	0.00	26,433	56.60	46,701	100.00	0	0.00	37,781	80.90	16,859	36.10
Calais	139,036	91.90	0	0.00	99,096	65.50	151,291	100.00	0	0.00	110,745	73.20	95,011	62.80
Cutlass Ciera	284,171	98.80	0	0.00	222,332	77.30	287,622	100.00	0	0.00	260,873	90.70	56,662	19.70
Cutlass Supreme	167,614	99.00	0	0.00	127,150	75.10	169,307	100.00	0	0.00	154,408	91.20	52,147	30.80
Delta 88	185,539	79.20	48,493	20.70	219,039	93.50	234,266	100.00	0	0.00	208,497	89.00	14,524	6.20
88 (rwd-wagon)	16,964	80.50	4,088	19.40	19,872	94.30	21,073	100.00	0	0.00	20,546	97.50	0	0.00
Olds 98	6,727	5.40	117,721	94.50	23,918	19.20	124,572	100.00	0	0.00	119,963	96.30	4,858	3.90
Toronado	0	0.00	15,924	100.00	15,924	100.00	15,924	100.00	0	0.00	6,831	42.90	9,268	58.20
Pontiac Total	815,045	94.44	15,856	1.84	489,001	56.66	863,027	100.00	0	0.00	343,657	39.82	396,304	45.92
1000	12,515	57.70	0	0.00	0	0.00	21,589	100.00	0	0.00	7,114	32.80	21,689	100.00
2000 Sunbird	120,105	88.90	0	0.00	58,499	43.30	135,101	100.00	0	0.00	46,340	34.30	42,557	31.50
Fiero	74,989	89.30	0	0.00	62,729	74.70	83,974	100.00	0	0.00	0	0.00	58,614	69.80
Grand Am	215,770	96.50	0	0.00	121,413	54.30	223,596	100.00	0	0.00	59,253	26.50	101,513	45.40
Grand Prix*	43,753	98.80	0	0.00	25,375	57.30	44,284	100.00	0	0.00	37,287	84.20	19,441	43.90
Bonneville*	40,475	98.90	0	0.00	18,089	44.20	40,925	100.00	0	0.00	39,493	96.50	2,701	6.60
Firebird	106,285	96.20	884	0.80	63,086	57.10	110,483	100.00	0	0.00	0	0.00	110,483	100.00
Parisienne	84,918	99.80	0	0.00	67,900	79.80	85,088	100.00	0	0.00	83,556	98.20	3,233	3.80
6000	116,237	98.60	14,972	12.70	71,911	61.00	117,887	100.00	0	0.00	70,614	59.90	36,073	30.60
HONDA	131,007	72.34	0	0.00	181,101	100.00	181,101	100.00	0	0.00	0	0.00	0	0.00
Civic	0	0.00	0	0.00	2,860	100.00	2,860	100.00	0	0.00	0	0.00	0	0.00
Accord	131,007	73.50	0	0.00	178,241	100.00	178,241	100.00	0	0.00	0	0.00	0	0.00
NISSAN	5,889	11.60	0	0.00	0	0.00	50,763	100.00	0	0.00	0	0.00	0	0.00
NUMMI (Nova)	134,986	75.40	0	0.00	21,662	12.10	179,026	100.00	0	0.00	0	0.00	9,309	5.20
VOLKSWAGEN	59,318	69.50	0	0.00	85,350	100.00	85,350	100.00	0	0.00	0	0.00	85,350	100.00
Total Cars, U.S.	6,159,745	75.16	1,063,272	12.97	5,973,895	72.89	7,879,458	96.14	316,174	3.86	4,465,089	54.48	2,009,163	24.52

NOTE: *—Based on North American production.

MANUFACTURERS

Overseas vehicle makers, coachbuilders

Following is a list of overseas manufacturers of production cars and trucks, coachbuilders and specialized motor vehicles. Available phone numbers (with country codes) have been included. For U.S. and Canadian companies, see the Roster of Auto Firms and Executives, which begins on page 148.

A.C. CARS, Unit 815, Brooklands Industrial Park, Weybridge, Surrey KT13 0YU, England. Phone: (44) 9323 5522. Products: Speciality sports cars. See also Autokraft Ltd.

ADAM OPEL AG, D-6090 Russelsheim, West Germany. (Parent company is General Motors.) Phone: (49) 6142-661. Products: Opel passenger cars.

AICHI MACHINE INDUSTRY CO. LTD., Nagoya, Aichi, Japan. Products: Commercial vehicles, automotive engines.

ALFA-LANCIA INDUSTRIALE S.P.A., Viale Alfa Romeo, Centro Direzionale, 20020 Arese, Milan, Italy. Phone: (39) 2 93391.Telex: 330101 ALFAMI. (Parent company is Fiat Auto.) Products: Alfa Romeo, Lancia, Autobianchi passenger cars.

ALPES INCENDIE, 8690 Le Grand Lemps, B.P. 27, France. Phone: (33) 76 05 09 54. Telex: 320388. Products: Ambulances, fire-fighting vehicles.

ALPINE, SOCIETE DES AUTOMOBILES, Avenue de Breaute, 76201 Dieppe, France. Phone: (35) 82 37 21. Telex: Alpirno 180993 F. Products: Sports and GT cars; engineering for Renault.

AMI-TOYOTA, 155 Bertie St., Port Melbourne, Victoria, Australia. Products: Passenger cars, light trucks, engines, panels.

ANAMBRA MOTOR MFG. CO. LTD., Emene Industrial Layout, Emene-Enugu, Nigeria. Phone: (234) 1 68 17 90. Telex: 51264. Products: Trucks.

ARAB AMERICAN VEHICLE CO., P.O. Box 2419 Suez Canel Rd., Horeia, Heliopolis, Cairo, Egypt. Phone: (20) 603418-603427. Telex: 93791AAVUN. Products: Jeep vehicles.

A.R.N.A. (ALFA ROMEO AND NISSAN AUTOVEICOLI) S.P.A., 83039 Pratola Serra, Avellino, Italy. (Parent company is Fiat Auto.) Phone: (39) 825 607075. Telex: 722361 ARNA. Products: Automobiles.

ASTON MARTIN LAGONDA LTD., Tickford St., Newport Pagnell, Buckinghamshire, MK 9AN, England. Phone: (44) 908 610620. Products: Touring cars.

ASTON MARTIN TICKFORD, 58 Tanners Dr., Blakelands North, Milton Keynes MK14 5BW, England. Phone: (44) 908 614688. Telex: 826983 TIKFRD G. Products: Automobile design, engineering, type approval and general consultancy; coachbuilding, prototype work.

AUDI AG, Postfach 220, D-8070 Ingolstadt, West Germany. Phone: (49) 841-896. Telex: 55 05 0. Products: Audi passenger cars.

AUSTIN ROVER GROUP LTD., Canley Road, Canley, Coventry, England CV5 6QX. Phone: (44) 203-70111. Telex: 312571. Products: Austin, Rover, MG automobiles

AUTOBIANCHI — see Alfa-Lancia Industriale.

AUTO DACIA FOREIGN TRADE CO., 42 Mircea Voda St., P.O. Box 81, 0300 Pitesti — Romania. Telex: 18296, 18297. Phone: 976/36316. Products: Dacia automobiles.

AUTOKRAFT LTD., Unit 815, Brooklands Industrial Park, Weybridge, Surrey KT13 0YU, England. Phone: (44) 9323 5522. Products: speciality automobiles, replicars.

AUTOLATINA — see Volkswagen do Brasil, Ford Brasil.

AUTOMOBILE APAL S.A., rue de la Fontaine 25, Blegny, 4570 Belgium. Phone: (32) 41 874525. Products: Automobiles.

AUTOMOBILES CITROEN, 62 Blvd. Victor Hugo, Neuilly sur Seine 922089 Cedex, France. (Parent company is Peugeot S.A.) Phone: (33) 14 759 3300. Products: Citroen passenger cars.

AUTOMOBILES DANGEL S.A., BP 01, 5 rue du Canal, 68780 Sentheim, France. Phone: (33) 89 825470. Products: Automobiles and conversions.

AUTOMOBILES PEUGEOT, 75 Ave. de la Grande Armee, Paris 75016, France. (Parent company is Peugeot S.A.) Phone: (33) 14 502 1133. Products: Feugeot and Talbot passenger cars.

AUTOMOBILES TALBOT S.A., Apdo 140, Villa Verde, 28080 Madrid, Spain. (Peugeot S.A. owns controlling interest.) Phone: (34) 91 217 0612. Products: Peugeot and Talbot automobiles.

AVON COACHWORK LTD., Ladbroke House, Tachbrook Road, Learnington Spa, Warwick CV31 3ES, England. Phone: (44) 926 882111. Products: Coachworks.

AZLK (AVTOMOBILNY ZAVOD IMENI LENINSKOGO KOMSOLA), Avtoexport, 14 Volkhonka, Moscow 119902, U.S.S.R. Phone: (7) 95 202 85 35. Products: Moskvich automobiles.

BEDFORD COMMERCIAL VEHICLE DIV., TRUCK & BUS GROUP, GENERAL MOTORS CORP., P.O. Box 3, Luton, LU2 0SY England. Phone: (44) 582 21122. Products: Vans.

BEIJING JEEP CORP., Chuihangliu, Chaoyangqu, Beijing, People's Republic of China. Phone: 78-1931. Telex: 200398JCCN. Products: Jeep vehicles.

BENTLEY — see Rolls-Royce Motors Ltd.

BERTONE, CARROZZERIA, S.P.A., Corso Allemano 46, 10095 Grugliasco, Turin, Italy. Phone: (39) 11 788-044. Telex: 220143. Products: Design, specialty automobiles and car bodies, prototypes, tooling.

BITTER-AUTOMOBILE GMBH & CO. KG, D-5830 Schwelm, Berlinerstrasse 57, West Germany. Phone: (49) 2336 6096-98. Products: Specialty automobiles.

BL PLC— see Rover Group PLC.

BMW AG (BAYERISCHE MOTOREN WERKE), Postfach 400240, Petuelring 130, BMW Haus, 8 Munich 40, West Germany. Phone: (49) 89 38951. Products: BMW passenger cars and motorcycles.

BMW SOUTH AFRICA (PTY) LTD., P.O. Box 2955, Pretoria 0001, South Africa. Phone: (27) 11 805-1555. Telex: 430103SA. Products: BMW automobiles.

BRISTOL CARS LTD., 368-370 Kensington High Street, London W14 8NL, England. Phone: (44) 1 603 5556. Products: Bristol automobiles.

CARBODIES SALES & SERVICE LTD., Torrington Ave., Tile Hill, Coventry CV4 9BH, England. Phone: (44) 203 470022. Products: Taxis.

CATERHAM CAR SALES & COACH WORKS LTD., Seven House, 38-40 Town End, Caterham Hill, Surrey CR3 5UG, England. Phone: (44) 883 46666. Products: Caterham Super Seven.

CHAUSSON (SOCIETE ANONYME DES USINES CHAUSSON), 11 Ave. Dubonnet, Courbevoie (Hauts de Seine), France. Phone: (33) 14 9040153. Products: Vans, motor vehicle and component research, design, development, testing, tooling, production and assembly.

CHRYSLER DE MEXICO S.A., P.O. Box 53-951, Mexico, D.S., Mexico. Phone: (52) 905 250-9988. Telex: 383 1774 335. Products: Passenger cars and trucks.

CITROEN — see Automobiles Citroen.

COLEMAN-MILNE, Wigan Rd., Weshoughton, Bolton, England BL5 2EE. Phone: (44) 942 815600. Telex: 67249. Products: Limousines, ambulances, funeral vehicles.

COMPANHIA INDUSTRIAL SANTA MATILDE INC. CO., Rua Buenos Aires 100, Rio de Janeiro, 20070, Brazil. Products: Automobiles.

CRAYFORD AUTO DEVELOPMENTS LTD., High Street, Westerham, Kent, TN16 1RG, England. Phone: (44) 959 63087. Products: All-terrain vehicles, cycles, conversions.

DACIA — see Auto Dacia.

DAEWOO MOTOR CO. LTD., 541 Namdaemun No 5-Ga, Chung-Ku, C.P.O. Box 2810, Seoul, South Korea. Phone: (82) 778-3184. Telex: DAEWOO K 23341-4. Cable: "DAEWOO" SEOUL. Products: Passenger vehicles.

DAF TRUCKS, Geldropseweg 303, 5645 TK Eindhoven, Netherlands. Phone: (31) 40 14 20 09. Products: Trucks and buses.

DAIHATSU MOTOR CO. LTD., 1-1 Daihatsu-cho, Ikeda, Osaka, Japan. Phone: (81) 727 51 8811. Products: Passenger cars, buses, trucks.

DAIMLER-BENZ AG, D-7000 Stuttgart 60, Postfach 202, West Germany. Phone: (49) 711 17-0. Telex: 723 901 DBU D. Products: Engines, Mercedes-Benz automobiles, trucks and buses.

DELTA MOTOR CORP., (formerly GM South African) P.O. Box 1137, Port Elizabeth 6000, South Africa. Phone: (27) 41 403-9111. Telex: 242386SA. Products: Opel automobiles.

DE TOMASO MODENA S.P.A., Via Emilia Ovest 1250, 41100 Modena, Italy. Phone: (39) 59 518102. Products: Vehicles, spare parts.

DONKERVOORT, Nieuw Loosdrechtsedijk 205a, 1231 KT Nieuw Loosdrecht, Netherlands. Phone: (31) 2158-1990. Products: Donkervoort automobiles.

DUTTON CARS LTD., 53 Broadwater St. W., Worthing, Sussex BN14 9BY, England. Phone: (44) 903 213421. Products: Dutton cars.

EL NASR AUTOMOTIVE MFG. CO., Wadi-Hof, Cairo, Egypt. Phone: (20) 781901. Products: Buses, trucks, cars, tractors.

ENASA S.A., Av. Aragon 402, 28022 Madrid, Spain. Phone: (34) 1 747 5555. Products: Pegaso trucks, buses.

ERF LTD., Sun Works, Sandbach, Cheshire CW11 9DN, England. Phone: (44) 936 73223. Products: ERF heavy trucks.

FABRYKA SAMOCHODOW MALOLITRAZOWYCH, ul. Sarni Stok 93, 43-300 Bielsko-Biala, Poland. Products: Passenger cars, Fiat 126, Syrena models.

FABRYKA SAMOCHODOW OSO-BOWYCH (FSO), ul. Stalingradzka 50, Warsaw, Poland. Products: Automobiles.

FARUS LTDA., INDUSTRIA DE VEICULOS ESPORTIVOS, Rua Camilo Flamarion 311, 32000 Contagem, Minas Gerais, Brazil. Products: Automobiles.

FASA-RENAULT, Avenida de Burgos, Madrid 34, Spain. Phone: (34) 1 766 1900. Products: Renault automobiles.

FERRARI S.P.A., P.O. Box 589, 41100 Modena, Italy. Phone: (39) 536 94 1161. Products: GT and sports cars.

FIAT AUTO S.P.A., Corso Agnelli 200,-10135 Turin, Italy. Phone: (39) 11 3333 1. Products: Fiat, Autobianchi, Lancia, Alfa Romeo passenger cars.

FIAT AUTOMOVEIS S.A., Rodovia Fernao Dias, km 429, 32500 Betim, Minas Gerais, Brazil. Products: Fiat passenger cars.

FIRST AUTOMOBILE WORKS, THE, Dong Feng St., Changchun, Jilin, China. Phone: 50-4051. Telex: 83009 FFAW CN. Products: Five-ton Jiefang (commercial vehicles) trucks, Hong-Qi luxury cars, Hong-Qi minibus, various special-purpose vehicles.

FODEN — see Sandbach Engineering.

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AUTOMOTIVE NEWS WORLD OUTLOOK

Generated by Data Resources Inc.

(In Millions)

	1984	1985	1986	1987	1988	1989	1990	1991
NEW CAR REGISTRATIONS								
Total Western Europe*	10,161	10,608	11,292	11,236	11,107	11,134	11,471	11,636
Germany	2,394	2,379	2,720	2,704	2,590	2,556	2,627	2,675
France	1,758	1,766	1,861	1,915	1,965	1,994	2,009	2,057
United Kingdom	1,750	1,832	1,851	1,780	1,785	1,803	1,826	1,784
Italy	1,636	1,746	1,795	1,759	1,709	1,727	1,758	1,789
Total U.S.	10,393	11,043	11,273	10,918	11,211	11,384	11,648	11,846
Asia-Pacific**	1,137	1,240	1,142	1,261	1,355	1,444	1,506	1,587
Japan	3,096	3,104	3,195	3,242	3,337	3,300	3,366	3,394
Total Africa-Mid East	1,242	1,268	1,185	1,168	1,252	1,306	1,389	1,510
Total Latin America†	1,350	1,410	1,395	1,384	1,479	1,618	1,733	1,873
Total Eastern Bloc	2,124	2,176	2,206	2,242	2,486	2,665	2,850	3,092
CAR PRODUCTION								
Total Western Europe*	10,723	11,210	11,612	11,784	11,830	11,943	12,257	12,414
Germany	3,790	4,167	4,304	4,182	4,122	4,105	4,218	4,289
France	2,713	2,632	2,742	2,911	2,950	2,944	2,996	3,038
United Kingdom	909	1,048	998	1,050	1,077	1,144	1,182	1,171
Italy	1,439	1,395	1,540	1,532	1,502	1,548	1,549	1,560
Total North American	8,840	9,277	8,928	8,543	8,303	8,845	9,031	9,098
Asia-Pacific**	923	1,050	1,204	1,497	1,656	1,827	1,910	1,992
Japan	7,073	7,647	7,757	7,720	7,950	7,854	8,054	8,128
Total Latin America†	1,066	1,371	1,311	1,434	1,674	1,839	1,938	2,072
Mexico	245	297	198	255	340	383	415	460
NEW TRUCK REGISTRATIONS								
Western Europe***	1,117	1,216	1,304	1,327	1,312	1,312	1,342	1,361
U.S.	3,931	4,520	4,650	4,540	4,680	4,770	4,900	4,990
TRUCK PRODUCTION								
Western Europe***	1,223	1,392	1,462	1,479	1,482	1,507	1,507	1,530
North America	3,958	4,325	4,177	4,616	4,636	4,690	4,636	4,721

*Includes Germany, France, United Kingdom, Italy, Netherlands, Belgium, Denmark, Ireland, Greece, Sweden, Norway, Finland, Switzerland, Austria, Spain and Portugal.
**Includes Taiwan, South Korea Peninsular Malaysia, India, Australia and New Zealand but excludes Japan, which is listed separately.
***Includes Germany, France, United Kingdom, Italy, Spain, Sweden, Netherlands, Belgium, Denmark, Switzerland and Austria.
†Latin America includes Mexico, Brazil and Argentina.

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MANUFACTURERS

Continued from page 99

FORD BRASIL S.A., Caixa Postal 5064 — CEP 09720, Rudge Ramos Sao Bernardo do Campo, Sao Paulo, Brazil. Phone: (55) 11 457-6633. Products: Ford passenger cars and trucks.

FORD ESPANA S.A. (SPAIN), Paseo de la Castellana 135, 8 Planta, Madrid 16, Spain. Phone: (34) 1 279 9500. Telex: Spain 42352. Products: Ford passenger cars.

FORD IVECO — see Iveco.

FORD LIO HO MOTOR CO. (TAIWAN) LTD., P.O. Box 12, Chung Li, Taiwan 320, Republic of China. Phone: (886) 34 553131/553150. Telex: 35167. Products: Ford, Mazda passenger cars.

FORD LUSITANA S.A.R.L. (PORTUGAL), Apartado 2248, R. Rosa Araujo 2, 1106 Lisbon Codex, Portugal. Phone: (351) 1 53 91 41. Telex: Portugal 122 18. Products: Ford passenger car, Transit van and Cargo truck assembly.

FORD MOTOR ARGENTINA S.A., Casilla de Correo 696, 1000 Correo Central, Buenos Aires, Argentina. Phone: (54) 1 394-1017. Telex: 21175. Products: Passenger cars and trucks.

FORD MOTOR CO. LTD. AND FORD OF EUROPE INC., Eagle Way, Brentwood, Essex, CM13 3BW, England. Phone: (44) 277 253000. Telex: United Kingdom 995311. Products: Ford passenger cars and light vans.

FORD MOTOR CO. (JAPAN) LTD., Toranmon 37 Mori Bldg., 5-1 Toranomon 3-chome, Minato-ku, Tokyo, Japan. Products: Importer in Japan of Ford automobiles, and exporter to Australia and New Zealand of Mazda automobiles. Models: Laser, Telstar.

FORD MOTOR CO. OF AUSTRALIA LTD., Private Mail Bag 6, Campbellfield, Victoria 3061, Australia. Phone: (61) 3 359-8211. Telex: 30624. Products: Ford passenger car, van, light and heavy truck assembly.

FORD MOTOR CO. OF NEW ZEALAND LTD., P.O. Box 30-012, Lower Hutt, New Zealand. Phone: (64) 4 666-149 (Wellington). Cable: NEWZEAFORD WELLINGTON (N.Z.). Products: Ford passenger car, van and truck assembly.

FORD MOTOR CO. S.A. DE C.V. (MEXICO), Apartado Postal 39 Bis, Mexico 1, D.F. Phone: (52) 905 211-0049. Telex: 7860. Products: Ford passenger cars and trucks.

FORD MOTOR DE VENEZUELA S.A., Apartado 61131 del Este, Caracas, Venezuela. Phone: (58) 2 765377. Telex: Caracas FI-22740. Products: Ford passenger cars and trucks.

FORD-WERKE AG, Ottoplatz 2, Postfach 21 03 69, D-5000 Cologne 21, West Germany. Phone: (49) 221 8251. Telex: Germany 888483. Products: Ford passenger cars.

FREIGHT ROVER LTD. — see Leyland-Daf Ltd.

FUJI HEAVY INDUSTRIES LTD., Subaru Bldg., 1-chome, 7-2, Nishi-shinjuku, Shinjuku-ku, Tokyo 160, Japan. Phone: (03) 347-2111. Telex: 0-232-2268 FUJI J. Products: Subaru vehicles.

GAC IRELAND LTD., Shannon Industrial Estate, County Clare, Ireland. Phone: (353) 61-61522. Telex: 24048. Products: Monocoque buses.

GAZ (GORKOVSKI AVTOMOBILNY ZAVOD), Avtoexport, 14 Volkhonka, Moscow 119902, U.S.S.R. Phone: (7) 95 202 8535. Products: Volga and Chaika automobiles.

GENERAL MOTORS CHILE S.A., INDUSTRIA AUTOMOTRIZ, P.O. Box 14370, Santiago, Chile. Phone: (56) 2 574 673. Products: Vehicle assembly.

GENERAL MOTORS CONTINENTAL, Noorderlaan 75, Postbus 9, B-2030 Antwerp, Belgium. Phone: (32) 3 543 5111. Products: Assembly of Opel and Vauxhall vehicles.

GENERAL MOTORS DE MEXICO S.A. DE C.V., Apartado 107-BIS, Mexico 1, D.F. Phone: (52) 5 250-3777. Products: Assembly of passenger cars, commercial vehicles.

GENERAL MOTORS DE PORTUGAL LTDA., P.O. Box 8115, 1802 Lisbon Codex, Portugal. Phone: (351) 1-85-01-88. Products: Assembly of vehicles.

GENERAL MOTORS DE VENEZUELA C.A., Apartado 666, Caracas 1100, Venezuela. Phone: (58) 2-494-711/19. Products: Assembly of imported vehicles.

GENERAL MOTORS DO BRASIL S.A., P.O. Box 8200, 01000 Sao Paulo, Brazil. Phone: (55) 11 442 7700. Products: Assembly of passenger cars and commercial vehicles.

GENERAL MOTORS EGYPT S.A.E., (jointly owned by Isuzu Motors, GM, Egypt and an Arabian investment group), Abu El Fida Bldg., Abu El Fida, Zamalek, Cairo, Egypt. Phone: (20) 698047/812365. Products: Assembly and manufacture of commercial vehicles and passenger cars.

GENERAL MOTORS-HOLDEN'S LTD., Box 1714 G.P.O., Melbourne, Australia 3001. Phone: (61) 3-647-1673. Products: Manufacture of passenger cars and light commercial vehicles, assembly of imported vehicles.

GENERAL MOTORS URUGUAYA S.A., Avenida Sayago 1385, Montevideo, Uruguay. Phone: (59) 82-381-621/28. Products: Assembly of imported vehicles.

GENERAL MOTORS ZAIRE S.A.R.L., B.P. 11199, Kinshasa 1, Zaire. Phone: 160-243 (Bell operator)-26635. Products: Assembly of imported vehicles.

GHIA DESIGN S.P.A., Via Agostino da Montefeltro 5, 10134 Turin, Italy. Phone: (39) 11 598 333. Products: Design and engineering for Ford Motor Co.

GIANNINI AUTOMOBILI S.P.A., Via Idrovore della Magliana 57, 00148 Rome, Italy. Products: Automobiles, variations of Fiat cars.

GINETTA CARS LTD., West End Works, Witham, Essex, GMB 1BE, England. Phone: (44) 376 512143. Products: Automobiles including G25 model.

GURGEL S.A. INDUSTRIA E. COMERCIO DE VEICULOS, Rod. Washington Luis, km 171, 13500 Rio Claro, Sao Paulo, Brazil. Phone: (55) 195 34 9588. Products: Off-road cars, delivery vans, electric cars.

HESTAIR DENNIS LTD., Woodbridge Works, Guildford, Surrey GU2 5XP, England. Phone: (44) 483 571271. Products: Buses and specialty trucks.

HEULIEZ, S.A. LOUIS, Cerizay, France, 79140. Phone: (33) 49 801111. Products: Ambulances, hearses, special vehicles, buses.

HINDUSTAN MOTORS LTD., Birla Bldg., 9/1 R.N. Mukherjee Rd., Calcutta 1, India. Products: Cars, 4wd vehicles.

HINO MOTORS LTD., 7-17, Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan. Phone: (81) 3 272 4811. Telex: J22946 HINOLTD. Products: Diesel trucks.

HONDA MOTOR CO. LTD., No. 27-8, 6-chome, Jingu-mae, Shibuya-ku, Tokyo, Japan. Phone: (81) 3 499 0111. Telex: J22678 (HONDAMTR). Products: Honda and Acura cars, motorcycles.

HYUNDAI MOTOR CO., 140-2, Ke-Dong, Jong Ko-Ku, Seoul, South Korea. Phone: (82) 276 30211. Products: Automobiles.

INDUSTRIE PININFARINA S.P.A., Via Lesna, 7880 Grugliasco, 10095 Turin, Italy. Phone: (39) 11-703232. Telex: 11-700819. Products: Automobiles, auto bodies and design.

INNOCENTI, NUOVA — see Maserati.

INSTITUTE FOR DEVELOPMENT IN AUTOMOTIVE ENGINEERING (I.D.E.A.), Villa Cantamerla, Via Ferrero di Cambiano 32, 10024 Moncalieri, 10024 Turin, Italy. Phone: (39) 11 691091. Telex: 212262 IDEATO I. Fax: 11 550363. Products: Automobile design; industrial design (industrial vehicles, marine, machinery); engineering services (product engineering, manufacturing engineering, research, materials applications).

INTERNATIONAL AUTOMOTIVE DESIGN, IAD House, Dominion Way, Worthing, Sussex BN14 8LU, England. Phone: (44) 903 210131. Products: Design and engineering consultants.

IRAN VANET MFG. CO., P.O. Box 250, Kilometer 21, Old Karaj Rd., Teheran, Iran. Phone: 952717/965032. Telex: 212035 IVMC IR. Products: Mazda trucks.

ISUZU MOTORS LTD., 22-10, Minami-oi, 6-chome, Shinagawa-ku, Tokyo 140 Japan. Phone: (81) 3 762-1111. Telex: 0266219 ISUZU T J. Products: Isuzu cars, trucks, buses.

ITAL DESIGN SIRP S.P.A., Via Grandi 11, 10024 Moncalieri, Italy. Phone: (39) 11 64-70-333. Telex: 220642 ITADE. Products: Design, models, interior mock-ups, engineering and development, prototypes, dies design, methods, tooling, automations, feasibility studies for automotive companies and truck, bus and industrial vehicle manufacturers.

IVECO BV, Bavink Staete, Prof. Bavinklaan 5, NL-Amstelveen, Amsterdam, Netherlands. Phone: (31) 20 413136. Products: Iveco, Magirus, Unic and Ford trucks and buses.

JAGUAR P.L.C., Browns Lane, Allesley, Coventry CV5 9DR, England. Phone: (44) 203 402121. Products: Jaguar and Daimler automobiles.

JEEP DE VENEZUELA S.A., Ave. Andres Bello Edif. Las Fundaciones, Caracas, Venezuela. Phone: (58) 2-573-8011. Telex: 24702 JEEPVVC. Products: Jeep vehicles.

KAMAZ, Avtoexport, 14 Volkhonka, 119902 Moscow, U.S.S.R. Phone: (7) 95 202 85 35. Products: KAMAZ heavy trucks.

KARMANN GMBH, WILHELM, Postfach 2609, Karmannstrasse 1, 45 Osnabrueck, West Germany. Phone: (49) 541 5811. Products: Limited production vehicles, engineering.

KASSBOHRER, KARL, FAHRZEUGWERKE GMBH, Postfach 2660, 79 Ulm, West Germany. Phone: (49) 731 1811. Products: Buses.

KIA MOTORS CORP., 61 Yoido-dong, Yungdeungpo-ku, Seoul, South Korea. Phone: 783-1501-9. Telex: KIACO K27327 (SEOUL). Products: Passenger cars and trucks.

LADA — see VAZ.

LAMBORGHINI, NUOVA AUTOMOBILI FERRUCCIO S.P.A., 40019 Sant'Agata Bolognese (Bologna), Italy. Phone: (39) 51 956 171. Products: Lamborghini automobiles.

LAND ROVER LTD, Lode Lane, Solihull B92 8BW, England. Phone: (44) 21 743 4242. Products: Land Rover utility vehicles, Range Rover station wagons.

LAWIL S.P.A., Via Oreste Maretti 29, 27057 Varzi (Pavia), Italy. Phone: (39) 383 52244. Products: Automobiles.

LEYLAND-DAF LTD., Lancaster House, Leyland, Preston PR5 1SN, England. Phone: (44) 772 421 400. Products: Leyland, Daf trucks, Freight Rover vans.

LOTUS, GROUP, Hethel, Norwich, Norfolk, England NR14 8EZ. Phone: (44) 953-608000. Telex: 97401. Products: Automobiles, automotive engineering technology.

MAGGIORA, S.P.A., ILCA, Via Natale Palli 8, Borgo San Pietro, 10047 Moncalieri, Turin, Italy. Phone: (39) 11 605 4301. Products: Engineering and assembly.

MAN (MASCHINEN FABRIK AUGSBURG-NUERNBERG) AG, Postfach 89, Augsburg,

U.S CORPORATE PROFITS

(Dollars in billions)

Year Quarter	Profits Before Tax: Motor Vehicle & Equipment Manufacturers	Profits Before Tax: Total Manufacturers	Profits Before Tax: Total U.S. Profits	Motor Vehicle & Equipment % of: Total Manufacturer Profits	Motor Vehicle & Equipment % of: Total U.S. Profits
1970	1.2	26.6	68.9	4.5	1.7
1971	5.0	34.1	82.0	14.7	6.1
1972	5.9	40.7	94.0	14.4	6.3
1973	5.8	46.2	107.1	12.5	5.4
1974	0.7	39.8	99.4	0.2	0.1
1975	2.0	53.6	123.9	3.7	1.6
1976	7.2	70.9	155.3	10.0	4.7
1977	9.4	80.6	183.6	11.6	5.2
1978	8.9	88.7	208.2	10.0	4.3
1979	4.7	87.5	214.1	5.3	2.2
1980	−2.5	77.1	194.0	0.0	0.0
1981	0.1	88.5	202.3	0.0	0.0
1982	−0.8	58.0	150.2	1.4	0.5
1983	5.1	70.1	196.7	7.3	2.6
1984	9.9	87.4	230.2	11.3	4.3
1985	6.8	73.0	222.6	9.3	3.1
1986 I	6.4	66.7	239.0	9.6	2.7
II	4.9	76.8	238.3	6.4	2.1
III	4.1	75.6	246.5	5.4	1.7

Seasonally adjusted annual rate
SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business; MVMA.

U.S. AUTOMAKERS' 1986-'85 FINANCIAL RESULTS

(In millions)

	1986 Sales	1986 Profit (Loss)	1985 Sales	1985 Profit (Loss)
American Motors	$ 3,463	$ (91)	$ 4,040	$ (125)
Chrysler Corp.	22,586	1,404	21,256	1,635
Ford Motor Co.	62,716	3,285	52,774	2,515
General Motors Corp.	102,814	2,945	96,372	3,999
Total	$191,579	$7,543	$174,442	$8,024

1986 FINANCIAL RESULTS OF AUTOMAKERS' FINANCE COMPANIES

(Dollars in millions)

	American Motors Financial Corp.	Chrysler Financial Corp.	Ford Motor Credit Corp.	General Motors Acceptance Corp.
1986 Net Income	$6.8	$200.0	$611.3	$1,043.0
1985 Net Income	$6.9	$154.3	$440.5	$1,021.0
Change from 1985	−1%	+30%	+39%	+2%
1986 Percentage of Retail Sales Financed	5%	35%	42%	57%
1985 Percentage of Retail Sales Financed	7%	33%	39%	41%

U.S. EMPLOYMENT IN MOTOR VEHICLE & EQUIPMENT MANUFACTURING INDUSTRY

	Total (000)	Autos (000)	Trucks (000)	Parts (000)	Total as % of: Manufacturing	Total as % of: Non Agricultural
1970	799.0	382.1	66.0	351.3	4.1	1.1
1971	848.5	420.2	67.7	361.1	4.6	1.2
1972	874.8	415.2	76.6	383.0	4.6	1.2
1973	976.5	461.6	85.0	429.9	4.8	1.3
1974	907.7	416.2	88.9	402.7	4.5	1.2
1975	792.4	375.3	64.7	352.5	4.3	1.0
1976	881.0	415.9	66.0	399.0	4.6	1.1
1977	947.3	442.0	72.6	426.5	4.8	1.1
1978	1,004.9	469.8	77.6	451.9	4.9	1.2
1979	990.4	463.0	80.8	441.1	4.7	1.1
1980	788.8	368.1	66.8	349.5	3.9	0.9
1981	788.7	358.7	61.5	363.3	3.9	0.9
1982	699.3	317.5	51.6	323.3	3.7	0.9
1983	753.7	349.1	54.1	339.5	4.1	0.8
1984	861.7	391.6	67.4	388.3	4.4	0.9
1985	876.4	404.5	65.6	391.6	4.5	0.9
1986*	842.2	383.4	65.1	377.8	4.4	0.9

*Estimates. Definitions: Autos — motor vehicles and car bodies (SIC 3711); Trucks — truck and bus bodies (SIC 3713), truck trailers and motor homes (SIC 3715,6); Parts — motor vehicle parts and accessories (SIC 3714).
SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; MVMA.

U.S. UNEMPLOYMENT IN MOTOR VEHICLE & EQUIPMENT MANUFACTURING INDUSTRY

	Civilian Workers	Total as % of: in Manufacturing	Total as % of: Motor Vehicles and Parts	Thousands	Total as % of: Total Manufacturing	Total as % of: Civilian Unemployment
1970	4.9	5.6	7.0	82	6.9	2.0
1971	5.9	6.8	5.1	56	4.0	1.1
1972	5.6	5.6	4.4	48	4.2	1.0
1973	4.9	4.4	2.4	29	3.1	0.7
1974	5.6	5.8	9.3	112	8.9	2.2
1975	8.5	10.9	16.0	174	7.5	2.2
1976	7.7	7.9	6.0	65	3.8	0.9
1977	7.1	6.7	3.9	48	3.3	0.7
1978	6.1	5.5	4.1	53	4.3	0.9
1979	5.8	5.6	7.4	99	7.6	1.6
1980	7.2	8.5	20.4	257	12.9	3.4
1981	7.6	8.3	14.7	174	9.1	2.1
1982	9.7	12.4	20.1	215	7.8	2.0
1983	9.6	11.2	12.7	143	5.8	1.3
1984	7.5	7.5	7.2	92	5.5	1.1
1985	7.1	7.6	7.1	95	5.6	1.3
1986	7.0	7.1	6.9	89	5.7	1.1

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; MVMA.

MANUFACTURERS

U.S. VEHICLE AND PARTS PERCENT OF TOTAL MERCHANDISE TRADE OF GNP

Year Quarter	Exports: Billions of Dollars	Exports: U.S. Total Merchandise Exports	Exports: U.S. Gross National Product	Imports: Billions of Dollars	Imports: U.S. Total Merchandise Imports	Imports: U.S. Gross National Product	Motor Vehicle & Parts Trade Deficit (Billions)
1970	4.1	9.5	0.41	5.9	14.7	0.59	1.8
1971	5.0	11.3	0.46	7.9	17.1	0.73	2.9
1972	6.0	12.0	0.51	9.6	17.0	0.80	3.6
1973	7.3	10.2	0.55	11.3	16.0	0.85	4.0
1974	9.3	9.4	0.65	12.4	12.0	0.86	3.1
1975	10.8	10.1	0.68	12.1	12.3	0.78	1.3
1976	12.2	10.7	0.69	16.8	13.5	0.98	4.6
1977	13.5	11.2	0.68	19.4	12.7	1.01	5.9
1978	15.7	11.1	0.70	25.0	14.2	1.16	9.3
1979	18.4	10.0	0.73	26.4	12.5	1.10	8.0
1980	17.5	7.8	0.64	27.9	11.4	1.06	10.4
1981	19.8	8.3	0.65	30.9	11.6	1.04	11.1
1982	17.4	8.2	0.55	34.1	13.8	1.12	16.7
1983	18.7	9.2	0.55	43.5	16.2	1.24	24.8
1984	22.5	10.2	0.60	56.6	17.0	1.50	34.1
1985	24.5	11.4	0.61	65.1	19.2	1.63	40.6
1986 I	6.0	11.1	0.58	17.8	19.8	1.72	11.8
II	5.9	10.8	0.57	19.1	21.0	1.83	13.2
III	5.6	10.1	0.53	20.6	22.2	1.94	15.0

SOURCES: U.S. Department of Commerce, Bureau of the Census; MVMA.

NEW PLANT AND EQUIPMENT EXPENDITURES BY MOTOR VEHICLE AND PARTS MANUFACTURERS

	Expenditures (Billions): Total U.S.	Total Manufacturing	Motor Vehicle & Equipt. Manuf.	Motor Vehicle and Equip. Mfg. Percent of: Manufacturing	Total U.S.
1975	162.60	53.66	3.33	6.2	2.0
1976	179.91	58.53	3.60	6.2	2.0
1977	208.15	67.48	5.82	8.6	2.8
1978	245.34	78.58	7.19	9.1	2.9
1979	284.94	95.92	8.34	8.7	2.9
1980	314.47	112.33	9.02	8.0	2.9
1981	349.26	126.54	9.83	7.8	2.8
1982	347.47	120.68	7.77	6.4	2.2
1983	304.78	116.20	7.29	6.3	2.4
1984	354.44	138.82	11.20	8.1	3.2
1985	387.13	153.48	14.63	9.4	3.2
1986*	380.69	144.77	14.57	10.1	3.8
1987*	384.24	141.95	13.33	9.4	3.5

*—Projections.
SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis; MVMA.

U.S. INDUSTRIAL PRODUCTION INDEX AND CAPACITY USAGE OF MOTOR VEHICLE AND PARTS MANUFACTURERS

	Industrial Production Index: Index	Total % Change from Last Period	Motor Vehicle & Parts Manufacturing: Index	% Change from Last Period	Capacity Utilization*: All Manufacturing	% Change from Last Period	Motor Vehicles & Parts	% Change from Last Period
1970	78.5	3.3	56.3	−19.5	79.2	−8.6	68.8	−24.0
1971	79.6	1.4	70.6	25.4	77.4	−2.2	82.2	16.3
1972	87.3	9.7	77.1	9.2	82.8	7.0	86.0	4.6
1973	94.4	8.1	89.8	16.5	87.0	5.1	94.5	9.9
1974	93.0	−1.5	77.5	−13.7	82.6	−5.1	78.4	−17.0
1975	86.3	−8.8	65.7	−15.2	72.3	−12.4	64.5	−17.7
1976	92.4	9.2	86.5	31.8	77.4	7.1	81.1	25.7
1977	100.0	8.0	100.0	15.6	81.4	5.2	89.1	9.9
1978	106.5	6.5	104.6	4.6	84.2	3.4	89.0	−0.1
1979	110.7	3.9	95.9	−8.3	84.6	0.5	78.2	−12.1
1980	108.6	−1.9	71.1	−25.8	79.3	−6.3	57.8	−26.0
1981	111.0	2.2	71.6	0.7	78.3	−1.3	59.0	2.1
1982	103.1	−7.1	66.8	−6.7	70.3	−10.6	54.3	−8.0
1983	109.2	5.9	85.5	28.4	74.0	5.3	68.9	27.0
1984	121.8	11.5	105.6	23.1	80.8	9.2	82.5	19.7
1985	123.8	1.6	111.5	5.6	80.3	−0.6	84.0	1.8
1986	125.1	1.1	110.9	−0.5	79.8	−0.6	79.9	−4.9

NOTE: *—Capacity Utilization is a percent of capacity benchmarked to Bureau of Economic Analysis and McGraw-Hill surveys.
SOURCES: Board of Governors of Federal Reserve System, Federal Reserve Bulletin; Unpublished data on computer printout (FRB); MVMA.

FORD MOTOR CO. FACTORY SALES

U.S. and Canadian Cars and Trucks*

	1986	1985	1984	1983	1982	1981	1980
Cars							
United States	2,093,698	1,940,662	2,047,671	1,671,837	1,270,519	1,385,174	1,397,431
Canada	188,887	194,540	167,295	143,425	118,721	148,515	162,576
Total cars	2,282,585	2,135,202	2,214,966	1,815,262	1,389,240	1,533,689	1,560,007
Trucks**							
United States	1,404,002	1,260,123	1,238,928	993,874	803,484	716,648	753,195
Canada	126,758	119,583	94,552	69,409	70,120	104,136	109,006
Total trucks	1,530,760	1,379,706	1,333,480	1,063,283	873,604	820,784	862,201
Total cars and trucks	3,813,345	3,514,908	3,548,446	2,878,545	2,262,844	2,354,473	2,422,208

Cars and Trucks Outside the United States and Canada**

	1986	1985	1984	1983	1982	1981	1980
Germany	862,288	769,883	789,655	833,119	797,850	737,383	657,258
Britain	438,155	422,003	371,598	414,018	423,073	418,629	468,472
Spain	268,114	265,783	269,021	228,150	229,839	254,006	266,522
Brazil	182,635	185,241	169,099	165,328	145,110	125,346	165,703
Australia	143,415	177,108	156,304	138,394	141,990	127,181	93,490
Mexico	43,601	70,238	50,560	47,670	90,478	107,312	84,668
Argentina	32,521	33,281	49,881	56,588	52,764	78,671	106,463
Other countries	131,671	112,055	180,087	172,419	123,639	110,187	63,666
Total outside United States and Canada	2,102,400	2,035,592	2,036,205	2,055,686	2,004,743	1,958,715	1,906,242
Total worldwide—cars and trucks	5,915,745	5,550,500	5,584,651	4,934,231	4,267,587	4,313,188	4,328,450

*Factory sales are by source of manufacture, except that Canadian exports to the United States are included as U.S. vehicle sales and U.S. exports to Canada are included as Canadian vehicle sales.
**Includes units manufactured by other companies and sold by Ford.

GENERAL MOTORS WORLDWIDE FACTORY SALES

(Units in Thousands)

	CARS 1986	CARS 1985	CARS 1984	TRUCKS & BUSES 1986	TRUCKS & BUSES 1985	TRUCKS & BUSES 1984	TOTAL 1986	TOTAL 1985	TOTAL 1984
United States	4,302	4,882	4,338	1,520	1,537	1,338	5,822	6,419	5,676
Canada	545	562	549	192	280	277	737	842	826
Overseas*	1,783	1,762	1,485	234	282	269	2,017	2,044	1,754
TOTAL	6,630	7,206	6,372	1,946	2,099	1,884	8,576	9,305	8,256

*—Includes units which are manufactured overseas by other companies and which are imported and sold by General Motors and affiliates.

Retail Unit Sales of Cars and Trucks Worldwide

United States	1986	1985	Change from '85	International	1986	1985	Change from '85
Industry	16,336	15,738	598	Industry	23,286	22,612	674
GM: cars	4,693	4,692	1	GM: cars	1,726	1,738	(12)
trucks	1,593	1,653	(60)	trucks	259	290	(31)
total	6,286	6,345	(59)	total	1,985	2,028	(43)
As % of U.S.	38.5	40.3	(1.8)	As % of International	8.4	8.6	(0.2)

West Germany. Phone: (49) 821 3223740. Products: MAN trucks and buses.

MARCOS SALES LTD., 153 West Wilts Trading Estate, Westbury, Wiltshire BA13 4JN, England. Phone: (44) 373-864097. Telex: 444883 SPEMAR G. Products: Automobiles.

MASERATI, OFFICINE ALFIERI, S.P.A., Viale Ciro Menotti 322, 41100 Modena, Italy. Phone: (39) 59 413801. Products: Maserati GT cars, Innocenti vehicles.

MATRA AUTOMOBILE, 14 Rue Paul Dautier, 78140 Velizy, France. Phone: (33) 946 9618. Products: Composite material engineering, Renault Espace minivan.

MAZDA MOTOR CORP., 3-1 Shinichi, Fuchu-cho, Aki-gun, Hiroshima 730-91, Japan. P.O. Box 18. Phone: (81) 822 82-1111. Telex: 652333 MAZDA J. Products: Mazda cars, trucks.

MERCEDES-BENZ — see Daimler-Benz.

MERCEDES-BENZ ARGENTINA, S.A., Casilla Correo 3890, (1000) Correo Central, Buenos Aires, Argentina. Phone: (54) 8 01 70 61/68. Products: Trucks, buses.

MERCEDES-BENZ AUSTRALIA PTY LTD., P.O. Box 214, Mulgrave-Melbourne, Australia. Phone: (61) 35 66 92 66. Telex: 31735 merstar aa. Products: Assembly of trucks and buses.

MERCEDES-BENZ DO BRASIL S.A., Ave. Alfred Jurzykowski 562, Sao Bernardo do Campo/Sao Paulo, Brazil. Phone: (55) 11 455 66 11. Telex: 114157 BENZBR. Products: Trucks, bus chassis.

MERCEDES-BENZ OF SOUTH AFRICA (PTY) LTD., P.O. Box 1717, Pretoria 0001, South Africa. Phone: (27) 12 203 9111. Telex: 321361SA. Products: Assembly of Honda cars, and Mercedes-Benz cars, trucks, buses.

METRO-CAMMELL WEYMANN LTD., P.O. Box 255, Washwood Heath, Birmingham B8 2UH, England. Phone: (44) 21 327 4777. Products: Buses, taxis.

AMERICAN MOTORS

Wholesale Unit Sales

	1986	1985
U.S.		
Automobiles	50,041	117,197
Jeep Vehicles	183,987	204,374
TOTAL	234,028	321,571
INTERNATIONAL		
Automobiles	16,331	34,284
Jeep Vehicles	37,375	35,914
TOTAL	53,706	70,198
TOTAL	287,734	391,769

MG — see Austin Rover.

MICHELOTTI, G. (STUDIO TECNICO DESIGN CARROZZERIA), Strada Dei Boschi 8, 10092 Beinasco, Turin, Italy. Phone: (39) 11 349 7291. Products: Design and engineering, custom vehicles.

MIDAS CARS LTD., St. Lukes Rd., Corby, Northamptonshire NN18 8AJ, England. Phone: (44) 536-60044. Products: Midas automobiles.

MITSUBISHI MOTORS CORP., 33-8 Shiba 5-chome, Minato-ku, Tokyo, Japan. Phone: (81) 3 456-1111. Telex: J26639 (BISHIJIKO). Products: Motor vehicles ranging from mini vehicles to large-size trucks and buses.

MORGAN MOTOR CO. LTD., Pickersleigh Road, Malvern Link, Worcestershire WR14 2LL, England. Phone: (44) 6845 3104. Products: Morgan automobiles, parts.

MOTOR IBERICA S.A., Edificio Barcinovaa, Gran Via Carlos III, 140-142, Barcelona-34, Spain. Phone: (34) 3 309 1508. Products: Nissan 4wd Patrol vehicle and Vanette.

NAYLOR CARS, Pawson Street, Bradford, West Yorkshire BD4 8DF, England. Phone: (44) 274 669052. Products: Replicars.

NISSAN AUSTRALIA PTY. LTD., 250-284 Frankston Rd., Dandenong, Victoria 3175, Australia. Phone: (61) 3 797 4111. Products: Automobiles.

NISSAN DIESEL MOTOR CO. LTD., Sunshine 60 Bldg., 3-1-1, Higashi Ikebukuro, Toshima-ku, Tokyo. Phone: (81) 3 989 6799. Telex: NIDEKO J24111. Products: Heavy- and medium-duty diesel trucks, buses, industrial and marine diesel engines.

NISSAN MEXICANA, S.V. DE C.V., Avenida Insurgentes Sur 1457, Mexico DF 03920, Mexico. Phone: (52) 5 688 2862.Products: Nissan cars and trucks.

NISSAN MOTOR CO. LTD., 17-1, Ginza 6-chome, Chuo-ku, Tokyo 104, Japan. Phone: (81) 3 543 5523. Telex: NISMO J22503. Products: Nissan cars and trucks.

NISSAN SOUTH AFRICA (PTY) LTD., P.O. Box 911-010, Rosslyn 0200, Pretoria, South Africa. Phone: (27) 12 541-1111. Telex: 322156SA. Products: Nissan automobiles, pickups.

NOVA SPORTS CARS LTD., Bridge Garage, Huddersfield Road, Mirfield, West Yorkshire WF14 9HS, England. Phone: (44) 924 498811. Products: Automobiles.

OGLE DESIGN LTD., Birds Hill, Letchworth, Hartfordshire, SG6 1JA, England. Phone: (44) 462 682661. Telex: 462 67814. Products: Automobile design and development, prototypes and models.

OLTCIT S.A., c/o Auto Dacia Foreign Trade Co., 42 Mercea Voda St., 0300 Pitesti, Romania. Products: Citroen-based cars.

OPEL — see Adam Opel AG.

OTOBUES VE MOTORLU ARACLAR SANAYII A.S., Burmali Cesmo Sokak Askeri, Firin Yolu No. 2, Davutpasa, Istanbul, Turkey. Phone: (90) 11 576 05 55. Telex: 22374. Products: Buses, trucks.

OTOSAN A.S., P.K. 102, Kadikoy, Istanbul, Turkey. Products: Automobiles with fiberglass bodies and Ford engines.

PANTHER CAR CO. LTD., Brooklands Industrial Park, Byfleet, Surrey KT13 0YU, England. Phone: (44) 9323 54066. Telex: 8955729. Products: Panther sports cars.

PAYKAN, Iran National Mfg. Co., Service Dept., P.O. Box 2118 Teheran, Iran. Products: Automobiles.

PERUSAHAAN OTOMOBIL NASIONAL SDN. BDH. (PROTON), HICOM Industrial Estate, Batu 3, Locked Bag No. 3, Post Office, PKNS Complex, 40990 Shah Alam, Selangor, Malaysia. Phone: (60) 3-5111055. Telex: 784 38545 PROTON MA. Products: Proton Saga automobile.

PEUGEOT AUTOMOBILES NIGERIA, Turaki Ali House 3, Kanta Road, Kaduna, Nigeria. Products: Peugeot automobiles and pickup trucks.

PEUGEOT S.A., 75 Ave. de la Grande Armee, Paris 75116, France. Phone: (33) 14 502 1133. Products: Peugeot, Talbot, Citroen automobiles.

PEUGEOT TALBOT MOTOR CO. LTD., International House P.O. Box 712, Bickenhill

Continued on page 102

MANUFACTURERS

Continued from page 101

Lane, Marston Green, Birmingham B37 7HZ, England. (Parent company is Automobiles Peugeot.) Products: Peugeot automobiles.

PININFARINA — see Industrie Pininfarina.

PORSCHE AG, Porschestrasse 42, 7 Stuttgart-Zuffenhausen, West Germany. Phone: (49) 711-8203-317. Telex: 721871. Products: Porsche automobiles, engineering subcontract work.

PREMIER AUTOMOBILES LTD., THE, LB Shastri Marg, Kurla, Bombay 400 070, India. Products: Fiat-based automobiles.

PUMA INDUSTRIA DE VEICULOS S.A., Rua Vermag, 128-04217, Sao Paulo, Brazil. Products: Automobiles.

QINGLING MOTORS CO. LTD., Sichuangprof, Zhongging-c, People's Republic of China. Products: Assembly of Isuzu commercial vehicles.

RAYTON FISSORE S.P.A., Via Fondovalle 1, 12062 Cherasco, Cuneo, Italy. Phone: (39) 172 488 001. Products: Magnum 4wd vehicle.

RELIANT MOTOR P.L.C., Two Gates, Tamworth, Staffordshire B77 1HN, England. Phone: (44) 827 250000. Products: Automobiles.

RENAULT (REGIE NATIONALE DES USINES RENAULT), 34 quai du Point du Jour, 92109 Boulogne-Billancourt, France. Phone: (33) 14 609 15 30. Telex: RENO 204000 F. Products: Renault automobiles.

RENAULT TRUCK INDUSTRIES, Boscombe Road, Dunstable, Bedfordshire LU5 4LX, England. Phone: (44) 582 64211. Products: Renault, Dodge trucks.

RENAULT VEHICULES INDUSTRIELS (RVI), 8 quai Marcel Dassault, 92156 Suresnes, France. Phone: (33) 14 772 3333. Products: Trucks, buses, military equipment.

ROLLS-ROYCE MOTORS LTD., Pym's Lane, Crewe, Cheshire, CW1 3PL, England. Phone: (44) 270 255255. Products: Rolls-Royce, Bentley automobiles.

ROVER GROUP PLC, 7-10 Hobart Place, London SW1W 0HH, England. Phone: (44) 1 235 4311. Products: Austin, Rover, MG passenger cars, Land Rover utility vehicles, Range Rover station wagons.

SAAB-SCANIA AB, S-581 88 Linkoping, Sweden. Phone: (46) 13 18 00 00. Products: Saab automobiles, Scania trucks and buses.

SAMCOR, P.O. Box 411, Pretoria 0001, South Africa. Phone: (27) 12 863-9111. Telex: 320750SA. Products: Mazda, Mitsubishi, Ford automobiles, pickups.

SANDBACH ENGINEERING, Elworth Works Sandbach, Cheshire CW11 9HZ, England. Phone: (44) 270 763244. Products: Foden heavy trucks.

SBARRO-ATELIERS DE CONSTRUCTIONS AUTOMOBILES, 1411 Les Tuileries-de-Grandson, Switzerland. Products: Specialty vehicles.

SCANIA — see Saab-Scania.

SEAT (SOCIEDAD ESPANOLA DE AUTOMOVILES DE TURISMO S.A.), Paseo de la Castellana 278, 28046 Madrid, Spain. Phone: (34) 1 733 2400. Products: Seat and Volkswagen automobiles.

SEDDON ATKINSON VEHICLES LTD., Woodstock Factory, Oldham, Lancashire OL2 6HP, England. Phone: (44) 61 624 0566. Products: Heavy trucks.

SEMAL (SOCIEDADE ELECTRO MECANICA DE AUTOMOVEIS LTDA.), Rua Nova de S. Mamede, 3-9, Lisbon 2, Portugal. Products: License-made 4x4 Aro, known as Portaro.

SEVEL (SOCIETA EUROPEA VEICOLI LEGGERI), Zona Industriale, Strada Stratale 154, Valle del Sangro, 66041 Atessa (CH), Italy. Phone: (39) 872 8901. Products: Fiat, Peugeot, Citroen, Talbot, Alfa Romeo vans.

SEVEL ARGENTINA S.A., Humberto 10, No. 1006, Villa Bosch, Buenos Aires, Argentina. Phone: (54) 1 750 4211. Products: Peugeot, Fiat light trucks.

SINPAR (SOCIETE INDUSTRIELLE DE PRODUCTIONS ET D'ADAPTATIONS RHODANIENNES), 5, rue d'Arsonval - Z.I., 69680 Chassieu, France. Phone: (33) 890 38 88. Telex: 300 649. Products: Transformation of standard vehicles (passenger cars, commercial vehicles) into all-wheel-drive vehicles.

SIPANI AUTOMOBILES LTD., 25/26 Industrial Suburb, Second Stage, Tumkur Road, Banglore 560 022, India. Products: Dolphin passenger car (under license from Reliant Motor).

SISU-AUTO AB, Oy, Fleminginkatu 27, 00510 Helsinki 51, Finland. Phone: (358) 0 90 75 0101. Products: Sisu heavy trucks.

SKODA (AUTOMOBILOVE ZAVODY NARODNI PODNIK), Trida Rude armady 294, PSC 293 60, Mlada Boleslav, Czechoslovakia. Phone: (42) 326 6133. Products: Automobiles.

STEYR-DAIMLER-PUCH AG, Kaerntnerring 7, 1011 Vienna 1, Austria. Phone: (43) 222 52 3581. Products: Truck manufacture; subassembly and engineering.

STIMULA-BUGATTI AUTOMOBILE, Chemin de Sacuny, 69530 Brignais, Lyon, France. Phone: (33) 7 805 3285. Products: Bugatti replicars.

SUZUKI MOTOR CO. LTD., 300 Takatsuka, Hamamatsu, Shizuoka-ken, Japan. Phone: (81) 3 534 471111. Telex: 4225-571 SUZUKI J. Products: Passenger cars, vans, motorcycles.

TATRA NARODNI PODNIK, 74221 Koprivnice, Czechoslovakia. Phone: (42) 656 40151. Products: Trucks.

THOMPSON MFG. CO., (Wexford) Ltd., Castlebridge, Wexford, Ireland. Phone: (353) 53 23327. Products: TMC Costin sports cars.

TOYOTA MOTOR CORP., No. 4-18, Koraku 1-chome, Bunkyo-ku, Tokyo 112, Japan. Phone: (81) 3 817 7111. Telex: 4528371 TOYOTA J. Products: Passenger cars, trucks.

TOYOTA SOUTH AFRICA LTD., P.O. Box 481, Berveglei 2012, South Africa. Phone: (27) 11 809-9111. Telex: 421091SA. Products: Passenger cars, pickups.

TRABANT (VEB SACHSENRING AUTOMOBILWERKE ZWICKAU), 9541 Zwickau, East Germany. Phone: (37) Zwickau 700. Products: Trabant automobiles.

TVR ENGINEERING LTD., Bristol Ave., Blackpool, Lancashire FY2 0JF, England. Phone: (44) 253 56151. Telex: 67519. Products: Sports cars.

UAZ (ULIANOVSKY AVTOMOBILNY ZAVOD), Avtoexport, 14 Volkhonka, Moscow 119902, U.S.S.R. Phone: (7) 95 202 85 35. Products: 4wd utility vehicles.

VAUXHALL MOTORS LTD., P.O. Box 3, Kimpton Road, Luton, Bedfordshire LU2 0SY, England. (Parent company is General Motors.) Phone: (44) 582 21122. Products: Passenger car assembly.

VAZ (VOLZHSKY AVTOMOBILNY ZAVOD), Avtoexport, 14 Volkhonka, Moscow 119902, U.S.S.R. Phone: (7) 95 202 85 35. Products: Lada automobiles.

VOLGA — see GAZ.

VOLKSWAGEN AG, D-3180 Wolfsburg 1, West Germany. Phone: (49) 5361 90. Products: Automobiles, vans and trucks.

VOLKSWAGEN ARGENTINA S.A., Florencio Varela 1903, 1754 San Justo, Buenos Aires, Argentina. Phone: (54) 1 651 0081. Products: Automobiles.

VOLKSWAGEN DO BRASIL S.A., Via Anchieta km 23.5, Sao Bernardo do Campo, Sao Paulo, CEP 09700, Brazil. Phone: (55) 11 452 6622. Products: Automobiles.

VOLKSWAGEN OF NIGERIA LTD., km 17, Badagry Highway, Lagos, Nigeria. Products: Automobiles.

VOLKSWAGEN OF SOUTH AFRICA (PTY) LTD., P.O. Box 301, Port Elizabeth 6000, South Africa. Phone: (27) 422 264911. Telex: 244166SA. Products: Volkswagen, Audi passenger cars, VW vans.

VOLVO CAR B.V., Steenovenweg 1, 5708 HN Helmond, Postbus 1015, Netherlands. Phone: (31) 4920 31111. Products: Volvo automobiles.

VOLVO, AB, S-405 08 Gothenburg, Sweden. Phone: (46) 31 590000. Telex: 2370 VOLVO S. Products: Volvo automobiles, buses, trucks.

WARTBURG (VEB AUTOMOBILWERK EISENACH), Postfach 218, Friedrich Naumannstrasse, 5900 Eisenach, East Germany. Phone: (37) 623 590. Products: Wartburg automobiles.

YUE LOONG MOTOR CO. LTD., 150 Nanking East Road, Sec. 2, 10th Floor, Taipei, 10409, Taiwan, Republic of China. Phone: (886) 2 521-5353-18. Telex: 21630 TYLCO. Products: Automobiles, light trucks.

YUGO — see ZCZ.

ZAGATO CAR S.P.A., Via Per Arese, 20017 Terrazzano di Rho, Milan, Italy. Phone: (39) 2 930 1635. Products: Passenger car bodies.

ZAZ (ZAPOROZHSKY AVTOMOBILNY ZAVOD), Avtoexport, 14 Volkhonka, Moscow 119902, U.S.S.R. Phone: (7) 95 202 85 35. Products: Zaporozhets minicars.

ZCZ (ZAVODI CRVENA ZASTAVA), Spanskih boraca 4, 34000 Kragujevac, Yugoslavia. Phone: (38) 34 34070. Products: Automobiles and trucks.

ZIL, Avtoexport, 14 Volkhonka, Moscow 119902, U.S.S.R. Phone: (7) 95 202 85 35. Products: Trucks. ■

GENERAL MOTORS CORP.

Financial Highlights

	1986	1985
Sales and Revenues (in millions except per share and hourly amounts)	$102,813.7	$ 96,371.7
Worldwide Factory Sales of Cars and Trucks (units in thousands)	8,576	9,305
Net income	$2,944.7	$3,999.0
As a percent of sales and revenues	2.9	4.1
As a percent of stockholders' equity	9.6	13.5
Worldwide Employment (in thousands)		
GM (excluding units listed below)	734	762
GMAC and its subsidiaries	16	14
Electronic Data Systems (effective Nov. 18, 1984)	45	35
Hughes Aircraft Co. (effective Dec. 31, 1985)	81	—
Average number of employees	876	811
Total payrolls (including profit sharing in 1985 and 1984)	$28,146.1	$25,639.1
Total cost of an hour worked — U.S. hourly employees*	$24.00	$23.40

NOTE: *—Excludes Hughes and EDS.

FORD MOTOR CO.

Financial Highlights

	1986	1985
Dollar sales (in millions)		
Automotive	$58,271	$48,879
All other	4,445	3,895
Total	$62,716	$52,774
Net income (in millions)	$3,285	$2,515
A share	12.32	9.09
A share assuming full dilution	12.11	8.81
Cash dividends a share	2.22	1.60
After-tax return on sales	5.3	4.8
Taxes (in millions)		
Provision for income taxes	$1,774.2	$1,103.1
Net income (loss)	3,285.1	2,515.4
Cash dividends	591.2	442.7
Retained income (loss)	$2,693.9	$2,072.7
Investment		
Capital expenditures (in millions)	$3,353	$3,737
Cash and marketable securities at Dec. 31 (in millions)	8,553	5,904
Working capital at Dec. 31 (in millions)	2,832	1,237
Stockholders equity at Dec. 31 (in millions)	14,860	12,269
Stockholders equity a share at Dec. 31	55.36	43.95
Employee Data — Worldwide*		
Payroll	$11,289.7	$10,175.1
Total labor costs	$15,284.5	$14,033.4
Average number of employees	382,274	369,314
Employee Data — U.S. Operations*		
Payroll	$7,703.6	$7,212.9
Average number of employees	181,476	172,165
Average hourly labor costs**		
Earnings	$16.18	$15.77
Benefits	$10.94	$10.68
Total	$27.12	$26.45

NOTES: *—Includes unconsolidated finance, insurance and land subsidiaries.
**—Per hour worked (in dollars). Excludes data for subsidiary companies, except Rouge Steel.

CHRYSLER CORP.

Financial Highlights

	1986	1985
Unit Sales of Cars and Trucks:		
In the United States and Canada	2,138,829	2,081,073
Outside the United States and Canada	59,586	76,300
TOTAL WORLDWIDE	2,198,415	2,157,373
Net Sales (In millions of dollars)	$ 22,586.3	$ 21,255.5
Earnings from continuing operations (In millions of dollars)	1,403.6	1,635.2
Per share data-primary *(In dollars): Earnings from continuing operations	6.31	6.25
At Dec. 31 (In millions of dollars):		
Cash and marketable securities	2,679.4	2,797.5
Property, plant, equipment and tools less accumulated depreciation	6,117.8	4,639.6
Total assets	$14,463.2	$12,605.3
Payroll and Employment Data		
Worldwide Operations:		
Average number of employees	115,074	107,850
Total payroll (In millions)	$ 4,137.4	$ 3,843.3
U.S. Operations:		
Average number of employees	87,414	84,804
Total payroll (In millions)	$ 3,744.5	$ 3,464.8
Average total hourly labor costs per hour worked — including employee benefits	$ 25.44	$ 24.50
Average weekly hours worked — hourly employees	41.3	40.2
Average number of hourly employees	60,363	60,231
Number of retired employees receiving benefits under the company's pension plans	67,064	66,275
Sales by Area of Manufacture		
United States		
Cars	1,298,501	1,265,527
Trucks	152,584	213,855
Canada		
Cars	—	—
Trucks	405,319	389,679
Total	1,856,404	1,869,061
TOTAL WORLDWIDE	2,198,415	2,157,373

NOTE: *—Restated to reflect the three-for-two stock splits.

AMERICAN MOTORS CORP.

(Dollars in millions)

	1986	Change	1985
Sales	$3,462.5	(14.3%)	$ 4,039.9
Net Earnings (Loss)	$ (91.3)	$34.0	$ (125.3)
Worldwide Wholesale Units Sales			
Automobiles	66,372	(56.2%)	151,481
Jeep Vehicles	221,362	(7.9)%	240,288
Total	$287,734	(26.6%)	$391,769
General Expenses			
Selling, advertising and administrative	$ 418.0	8.0%	$ 388.5
Amortizaton of tools and depreciation of facilities	155.1	13.3%	136.9
Pension	62.1	9.3%	56.8
Interest	84.4	(7.2%)	90.9
Other Income	24.0	89.0%	12.7

DEALERS

The number of dealerships handling domestic-make passenger cars continued to tumble in 1986.

The annual *Automotive News* census found 20,405 domestic-car outlets on Jan. 1, 1987, down 268 from 20,673 doing business a year earlier.

The loss was higher than in 1985, when 229 dealerships faded away.

Those declines followed two "up" years for the industry. The dealer total climbed slightly in 1983 and 1984, but they were the only advances in the last 30 years.

Chrysler Motors was the most upbeat performer in 1986, as it increased its dealer total for the fourth consecutive year. The company posted a gain of 20 outlets last year. Volkswagen also was on the plus side with a gain of one.

Elsewhere, there were declines of 150 car dealerships for General Motors, 57 for Ford Motor Co. and 72 for American Motors/Renault. The combined loss of 258 grew to 268 because of a change in the number of intercorporate duals.

The number of import-make franchises and import-car retail outlets continued to increase last year, according to the census.

Continued proliferation of imported-car nameplates in the U.S. market and some internal marketing shifts at Chrysler Motors helped increase the number of imported-car franchises to a record total of 24,065 on Jan. 1, 1987, up 18.9 percent from 20,235 one year earlier.

Although Sterling, Acura and Hyundai franchises were added during 1986, the bulk of the increase came at the start of the 1987 model year when Chrysler Motors designated all Mitsubishi-built Conquest models as Chryslers, instead of Plymouths, in effect creating a new franchise, although the company's outlet count was unaffected.

The total number of dealerships selling imported cars in the United States reached 16,969 on Jan. 1, 1987 — a 3.5-percent increase from 16,392 on Jan. 1, 1986.

The franchise total and outlet total differ because of dualing — two or more franchises often are combined in a single outlet.

The latest figure was the largest number of imported-car retail outlets in the United States since Volkswagen and Renault were reclassified as domestic makes in the early 1980s. ■

U.S.-CAR RETAIL OUTLETS

1947 to 1987

Date	No. of Retail Outlets	Pct. Gain or Loss from Previous Year	Date	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1947	45,580		Jan. 1, 1969	27,486	−1.07
Jan. 1, 1948	46,092	+1.12	Jan. 1, 1970	27,071	−1.51
Jan. 1, 1949	49,173	+6.66	Jan. 1, 1971	26,126	−3.49
Jan. 1, 1950	46,821	−4.78	Jan. 1, 1972	25,621	−1.93
Jan. 1, 1951	47,543	+1.54	Jan. 1, 1973	25,441	−0.70
Jan. 1, 1952	46,014	−3.22	Jan. 1, 1974	25,349	−0.36
Jan. 1, 1953	45,191	−1.79	Jan. 1, 1975	24,980	−1.46
Jan. 1, 1954	41,910	−7.26	Jan. 1, 1976	24,453	−2.11
Jan. 1, 1955	40,374	−3.66	Jan. 1, 1977	24,268	−0.76
Jan. 1, 1956	41,018	+1.60	Jan. 1, 1978	24,147	−0.50
Jan. 1, 1957	37,982	−7.40	Jan. 1, 1979	24,051	−0.40
Jan. 1, 1958	37,188	−2.09	Jan. 1, 1980	23,379	−2.79
Jan. 1, 1959	35,077	−5.68	Jan. 1, 1981	21,772	−6.87
Jan. 1, 1960	33,658	−4.05	Jan. 1, 1982*	21,680	−0.41
Jan. 1, 1961	32,482	−3.49	Jan. 1, 1983**	20,799	−4.06
Jan. 1, 1962	31,331	−3.54	Jan. 1, 1984	20,841	+0.20
Jan. 1, 1963	30,853	−1.53	Jan. 1, 1985	20,902	+0.29
Jan. 1, 1964	30,827	−0.08	Jan. 1, 1986	20,673	−1.10
Jan. 1, 1965	30,691	−0.44	Jan. 1, 1987	20,405	−1.30
Jan. 1, 1966	30,278	−1.35			
Jan. 1, 1967	28,422	−6.14			
Jan. 1, 1968	27,784	−2.24			

*Jan. 1, 1982 and subsequent totals include Volkswagen.
**Jan. 1, 1983 and subsequent totals include Renault.
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IMPORTED-CAR RETAIL OUTLETS IN U.S.

	Jan. 1, 1987		Jan. 1, 1987*	
Imported cars only:				
Exclusives	3,497		2,974	
Duals	1,254		1,176	
		4,751		4,150
Import-domestic duals:				
Domestics with captive imports	9,767		9,836	
Domestics with other imports	2,451		2,406	
		12,218		12,242
Total imported-car dealers		16,969		16,392

NOTES: Renault and Volkswagen are counted as domestics. Captive imports are Chevrolet Sprint and Spectrum; Chrysler Conquest, Dodge Colt and Vista; Plymouth Colt Vista; Merkur.
*—Revised.
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IMPORT FRANCHISES IN THE U.S.

	Jan. 1, 1987	Jan. 1, 1986
JAPAN	19,326	15,962
Chevrolet captives	5,000	5,050
Chrysler captives	3,064	—
Plymouth captives	3,033	3,009
Dodge captives	2,960	2,927
Nissan	1,109	1,101
Toyota	1,087	1,079
Honda	900	879
Subaru	801	819
Mazda	771	767
Isuzu	338	242
Acura	150	—
Mitsubishi	113	89
WEST GERMANY	2,323	2,372
Merkur	744	783
BMW	423	433
Mercedes-Benz	422	421
Audi	412	408
Porsche	322	327
SWEDEN	773	752
Volvo	414	407
Saab	359	345
ITALY	432	365
Alfa Romeo	158	144
Bertone	150	125
Maserati	73	44
Ferrari	42	42
Lamborghini	9	10
FRANCE	272	286
Peugeot	272	286
UNITED KINGDOM	503	327
Jaguar	160	167
Sterling	153	—
Lotus	65	47
Rolls-Royce/Bentley	59	59
TVR	50	41
Aston Martin	16	13
YUGOSLAVIA	260	156
Yugo	260	156
KOREA	161	—
Hyundai	161	—
MISCELLANEOUS	15	15
TOTAL	24,065	20,235

U.S. NEW-CAR OUTLETS

Domestic and Import

	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1958	39,108	−0.1%
Jan. 1, 1959	37,558	−4.0%
Jan. 1, 1960	36,336	−3.3%
Jan. 1, 1961	34,803	−4.2%
Jan. 1, 1962	33,461	−3.9%
Jan. 1, 1963	33,308	−0.4%
Jan. 1, 1964	33,291	−0.1%
Jan. 1, 1965	33,360	+0.2%
Jan. 1, 1966	33,114	−0.7%
Jan. 1, 1967	31,584	−4.6%
Jan. 1, 1968	31,101	−1.5%
Jan. 1, 1969	31,076	−0.1%
Jan. 1, 1970	30,842	−0.8%
Jan. 1, 1971	30,314	−1.8%
Jan. 1, 1972	30,150	−0.5%
Jan. 1, 1973	30,094	−0.2%
Jan. 1, 1974	29,998	−0.3%
Jan. 1, 1975	29,701	−1.0%
Jan. 1, 1976	29,309	−1.3%
Jan. 1, 1977	28,744	−1.9%
Jan. 1, 1978	28,656	−0.3%
Jan. 1, 1979	28,512	−0.5%
Jan. 1, 1980	27,891	−2.2%
Jan. 1, 1981	26,333	−5.6%
Jan. 1, 1982	25,703	−2.4%
Jan. 1, 1983	24,729	−3.8%
Jan. 1, 1984	24,721	−0.0%
Jan. 1, 1985	24,724	+0.0%
Jan. 1, 1986	25,104	+1.5%
Jan. 1, 1986	24,823*	+0.4%
Jan. 1, 1987	25,156	+1.3%

NOTE: *—Revised
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TRUCK OUTLETS

Retail Outlets

	Jan. 1, 1987	Jan. 1, 1986+
Chevrolet	4,975	5,000
Dodge	3,019	2,998
Ford	4,729	4,800
Freightliner	166	170
GMC	2,420	2,439
Hino	90	70
International	686	743
Isuzu	600	600
IVECO	175	199
Jeep	1,390	1,450
Kenworth	111	125
Mack	211	266
Mercedes-Benz	150	165
Mitsubishi Fuso	51	10
Nissan Diesel	190	100
Peterbilt	107	116
Plymouth**	3,033	3,009
Scania	16	10
Volvo	109	125
White***	200	169
TOTALS	22,428	22,564
Adjustments for multiple franchising	2,691	2,707
NET TOTALS	19,737	19,857

NOTES: —Retail outlets include dealerships, distributorships and factory-owned outlets.
**—Plymouth trucks are compact Voyager vans.
***—White includes Autocar. +—Revised.

The number of new-truck dealer outlets in the U.S. fell by 120 during 1986, bringing the Jan. 1, 1987 truck dealer population to 19,737.

Seven makers increased their dealer totals; 12 showed declines; one was unchanged.

Figures were obtained from manufacturers and from the American Truck Dealers Division of the National Automobile Dealers Assn.

CAR-TRUCK SALES PER OUTLET IN U.S.

1986 Position	Make	1985 Position
1—1431	Hyundai	— —
2— 947	Toyota	874— 2
3— 791	Mitsubishi	920— 1
4— 716	Honda	640— 4
5— 697	Nissan	751— 3
6— 589	Suzuki	53— 0
7— 585	Ford	565— 6
8— 556	Chevrolet	586— 5
9— 494	Mazda	429— 7
10— 352	Acura	— —
11— 334	Oldsmobile	334— 8
12— 316	Dodge	297— 9
13— 283	Pontiac	265—11
14— 276	Volvo	257—12
15— 260	Buick	285—10
16— 247	Volkswagen	246—13
17— 236	Isuzu	199—17
17— 236	Mercedes	207—15
19— 226	Subaru	219—14
19— 226	BMW	204—16
21— 186	Cadillac	185—19
22— 179	Mercury	189—18
23— 173	Yugo	— —
24— 157	Plymouth	146—21
25— 152	AMC	133—22
26— 150	Jaguar	120—25
27— 146	Audi	182—20
28— 137	Saab	115—26
29— 126	GMC	128—23
30— 116	Chrysler	124—24
31— 110	Lincoln	104—27
32— 94	Porsche	78—29
33— 54	Alfa Romeo	33—33
34— 51	Peugeot	53—30
35— 41	Renault	87—28
36— 34	Dodge Imports	43—32
37— 32	Chevrolet Imports	21—35
38— 21	Plymouth Imports	17—36
39— 20	Maserati	24—34
40— 19	Merkur	12—37
41— 1	Chrysler Conquest	— —

IMPORT OUTLETS

1957 to 1987

Jan. 1, 1957	2,930
Jan. 1, 1958	11,409
Jan. 1, 1959	14,031
Jan. 1, 1960	14,674
Jan. 1, 1961	13,135
Jan. 1, 1962	11,894
Jan. 1, 1963	7,138
Jan. 1, 1964	5,249
Jan. 1, 1965	5,856
Jan. 1, 1966	6,013
Jan. 1, 1967	6,588
Jan. 1, 1968	7,156
Jan. 1, 1969	7,869
Jan. 1, 1970	8,311
Jan. 1, 1971	9,860
Jan. 1, 1972	12,375
Jan. 1, 1973	13,332
Jan. 1, 1974	11,246
Jan. 1, 1975	11,489
Jan. 1, 1976	10,414
Jan. 1, 1977	11,387
Jan. 1, 1978	17,374
Jan. 1, 1978	17,700*
Jan. 1, 1979	17,114
Jan. 1, 1980	16,919
Jan. 1, 1981	16,681
Jan. 1, 1982	11,270**
Jan. 1, 1983	10,011***
Jan. 1, 1984	10,096
Jan. 1, 1985	12,427
Jan. 1, 1986	16,392
Jan. 1, 1987	16,969

*—Alltime high.
**—VW counted as domestic in 1982 and subsequent years.
***—Renault counted as domestic in 1983 and subsequent years.
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RETAIL OUTLETS, U.S. MAKES OF PASSENGER CARS

1987 vs. 1986

	Jan. 1, 1987				Jan. 1, 1986			
	Exclusives (Within Corp.)	Multiples (Within Corp.)	Total Franchises	Net Dealers	Exclusives (Within Corp.)	Multiples (Within Corp.)	Total Franchises	Net Dealers
AMERICAN MOTORS/RENAULT	131	2,436	2,567	1,349	156	2,530	2,686	1,421
AMC	91	1,218	1,309		103	1,265	1,368	
Renault	40	1,218	1,258		53	1,265	1,318	
CHRYSLER CORP.	959	8,098	9,057	4,023	954	8,031	8,985	4,003
Chrysler	0	3,064	3,064		0	3,049	3,049	
Dodge	950	2,010	2,960		945	1,982	2,927	
Plymouth	9	3,024	3,033		9	3,000	3,009	
FORD MOTOR CO.	2,719	6,265	8,984	5,460	2,780	6,247	9,027	5,517
Ford	2,708	1,908	4,616		2,769	1,913	4,682	
Lincoln	0	1,617	1,617		0	1,598	1,598	
Mercury	11	2,740	2,751		11	2,736	2,747	
GENERAL MOTORS	4,970	10,720	15,690	9,680	5,080	10,715	15,795	9,830
Buick	700	2,250	2,950		710	2,250	2,960	
Cadillac	250	1,365	1,615		255	1,360	1,615	
Chevrolet	2,865	2,110	4,975		2,940	2,110	5,050	
Oldsmobile	625	2,550	3,175		625	2,565	3,190	
Pontiac	530	2,445	2,975		550	2,430	2,980	
VOLKSWAGEN	878	0	878	878	877	0	877	877
TOTALS	9,657	27,519	37,176	21,390	9,847	27,523	37,370	21,648
Minus intercorporate duals				985				975
NET DEALERS				20,405				20,673

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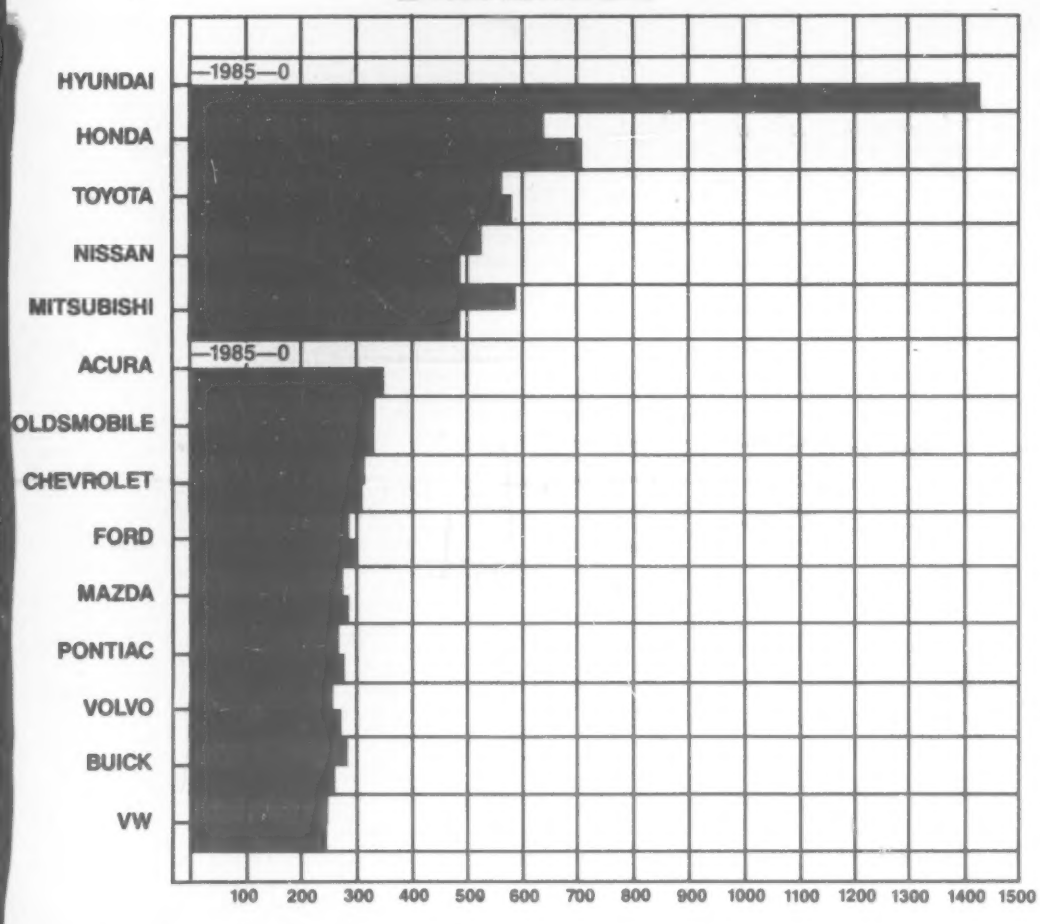
DEALERS

AVERAGE SALES PER OUTLET
■ 1985 vs. 1986 ■



U.S. NAMEPLATES, SALES PER OUTLET

1986 Position	Make	1985 Position
Subcompact		
1— 87	Escort	90— 1
2— 84	Volkswagen	88— 2
3— 48	Nissan	— —
4— 38	Alliance	53— 3
5— 37	Horizon	28— 7
6— 34	Nova	24— 9
7— 33	Omni	24— 9
8— 26	Civic	— —
9— 24	Lynx	31— 4
10— 23	Fiero	31— 4
11— 17	Charger	20— 10
12— 16	Turismo	17— 11
13— 15	Chevette	26— 8
14— 13	Daytona	17— 11
14— 13	Encore	29— 6
16— 10	Laser	17— 11
17— 7	Shadow	— —
18— 6	Sundance	— —
19— 4	Pontiac 1000	14— II
Compact		
1—239	Accord	— —
2— 71	Cavalier	85— 1
3— 57	Tempo	59— 2
4— 43	Reliant	49— 3
5— 37	Aries	40— 4
6— 36	Mustang	34— 7
7— 35	Sunbird	39— 5
8— 33	Camaro	39— 5
9— 32	Firebird	34— 7
10— 31	LeBaron K	29— 9
11— 25	Skyhawk	29— 9
11— 25	Topaz	27— 11
13— 15	Cimarron	13— 13
14— 11	Firenza	16— 12
15— 7	Toyota	— —
16— 5	Capri	6— 15
17— 3	Eagle	9— 14
Intermediate		
1—104	Ciera	105— 1
2— 82	Celebrity	72— 3
2— 82	Century	79— 2
4— 69	Grand Am	41— 7
5— 67	Pontiac 6000	55— 5
6— 60	Cutlass Supreme	68— 4
7— 57	Taurus	1— 24
8— 42	Cougar	43— 6
9— 38	Somerset Regal	32— 12
10— 36	Sable	1— 24
10— 36	Calais	39— 8
12— 30	Thunderbird	33— 11
13— 27	Regal	38— 9
14— 22	LeBaron GTS	24— 14
14— 22	Monte Carlo	15— 22
16— 21	Dodge 600	19— 17
17— 19	New Yorker	19— 17
18— 14	Lancer	17— 20
18— 14	Bonneville	17— 20
20— 13	Caravelle	12— 22
21— 12	Grand Prix	20— 16
22— 5	LTD	38— 9
23— 4	Marquis	32— 12
24— 3	Corsica/Beretta	— —
25— 1	Skylark	19— 17
26— 1	Citation	9— 23
Standard		
1— 82	Olds 88	59— 1
2— 45	LeSabre	39— 4
2— 45	Grand Marquis	49— 2
2— 45	Chevrolet	49— 2
5— 29	Crown Victoria	35— 5
6— 25	87 Parisienne	23— 6
7— 12	Diplomat	12— 7
8— 6	Gran Fury	6— 8
Luxury		
1—146	Cadillac	116— 1
2— 83	Lincoln	74— 2
3— 37	Electra	33— 6
4— 35	Fifth Avenue	36— 4
5— 34	Olds 98	38— 3
6— 15	Mark VII	12—10
7— 15	Eldorado	36— 4
8— 13	Continental	18— 7
8— 13	Seville	18— 7
10— 8	Riviera	16— 9
11— 7	Corvette	7—12
12— 5	Toronado	10—11

CAR SALES PER OUTLET BY MAKE, TOTAL U.S. MARKET

	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
Hyundai	1,431	....	....	....	....	....	....	....	....	....
Honda†	716	640	610	494	455	470	496	486	398	339
Toyota†	592	572	515	511	484	528	541	485	423	479
Nissan†	495	520	439	479	428	421	475	445	323	384
Mitsubishi	489	598	477	435	59	....	....	....	....	....
Acura	352	....	....	....	....	....	....	....	....	....
Oldsmobile	334	334	331	320	254	263	251	286	302	294
Chevrolet	311	331	304	261	238	259	303	364	394	381
Ford	301	295	276	230	197	197	204	269	326	335
Mazda	290	277	223	228	213	218	213	213	114	95
Pontiac	283	265	235	187	162	179	195	241	277	249
Volvo	276	257	246	220	185	159	140	136	120	103
Buick	260	285	318	268	247	244	239	234	256	245
Volkswagen†	247	246	197	177	164	241	274	274	213	252
Mercedes-Benz	236	207	190	177	161	154	132	130	115	119
Subaru	226	219	196	198	195	201	191	175	145	118
BMW	226	204	170	145	132	112	103	98	92	93
Cadillac	188	185	200	189	157	144	133	193	215	207
Mercury	179	189	195	195	125	127	117	172	195	172
Yugo	173	—	....	....	....	....	....	....	....	....
Dodge	155	149	131	120	105	126	108	133	158	162
Jaguar	150	120	98	81	49	20	11	14	17	15
Audi	146	182	172	115	108	118	97	98	95	85
Saab	137	115	102	81	60	47	44	46	48	42
Isuzu	134	118	80	98	77	98	....	....	....	....
Plymouth	120	110	99	99	98	129	97	110	133	143
Chrysler	116	124	110	94	66	35	50	76	89	96
Lincoln	110	104	97	67	64	43	45	80	115	112
Porsche	94	78	61	66	44	35	32	43	54	65
Alfa Romeo	54	31	27	17	16	19	18	35	39	29
Peugeot	51	53	64	47	43	51	42	42	32	35
Renault††	51	87	135	135	51	22	24	44	47	46
Chevy Sprint/Spectrum	32	21	29	....	....	....	....	....	....	....
Dodge/Mitsubishi	23	19	17	15	16	19	24	27	21	37
Plymouth Mitsubishi	21	17	12	13	15	19	27	22	15	....
Maserati	20	24	....	....	....	....	....	....	....	....
Merkur	19	12	....	....	....	....	....	....	....	....
AMC	6	9	14	23	53	85	88	97	105	112
Chrysler Conquest	1	..	....	....	....	....	....	....	....	....

† Domestic plus imports.
†† Renault joined Convertibles in 1982. Average includes imported models and U.S.-built Alliances and Encores.

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TRUCK REGISTRATIONS PER OUTLET

	1986	1985	1984	1983	1982	1981	1980
Ford	285	260	240	197	156	142	152
Chevrolet	250	251	213	176	146	120	129
Dodge	155	166	143	89	83	64	89
GMC	141	143	122	101	96	63	70
Jeep	141	126	99	50	40	34	45
Freightliner	105	110	92	59	41	50	75
Mack	103	111	105	62	66	81	88
International	100	99	85	57	49	52	56
Kenworth	99	96	101	64	61	80	93
Peterbilt	95	106	113	69	66	75	58
White	47	50	41	19	23	24	33
Plymouth*	35	35	27	4	4	6	12
Mercedes-Benz	25	28	13	15	17	21	—
Volvo	22	21	16	12	7	14	8

NOTES: *—Plymouth trucks for 1985 are compact Voyager vans; prior to 1984, they were four-wheel-drive Trail Duster, Arrow and Scamp pickup trucks and full-size Voyager vans.
White totals for 1985 include Autocar; prior to 1984, Western Star was included.

SALES PER OUTLET BY COMPANY

Domestic new-car sales per U.S. dealership

	American Motors	Chrysler Corp.	Ford Motor	General Motors	Studebaker	VW of America	All U.S. Industry*
1956	47	104	189	183	44	—	148
1957	56	130	194	169	30	—	154
1958	75	83	133	141	21	—	118
1959	127	97	199	169	53	—	158
1960	142	141	214	197	44	—	184
1961	125	104	208	193	34	—	172
1962	139	119	232	261	37	—	212
1963	139	163	243	283	33	—	233
1964	125	186	276	294	15	—	246
1965	115	213	318	351	8	—	299
1966	194	214	321	331	—	—	290
1967	100	212	258	321	—	—	270
1968	112	244	318	345	—	—	304
1969	104	233	332	351	—	—	307
1970	109	230	328	268	—	—	269
1971	114	240	343	361	—	—	320
1972	141	249	360	361	—	—	329
1973	205	284	399	421	—	—	380
1974	176	229	330	310	—	—	296
1975	177	201	298	318	—	—	286
1976	140	271	340	409	—	—	353
1977	112	254	384	442	—	—	374
1978	105	239	389	464	—	—	377
1979	97	202	322	426	—	—	333
1980	88	163	237	367	—	—	280
1981	85	193	236	349	—	241	280
1982	96	189	243	338	—	164	277
1983	125	226	289	402	—	177	330
1984	135	250	358	458	—	197	380
1985	91	285	374	465	—	246	393
1986	52	292	365	464	—	247	399

*Average for all U.S. industry includes Studebaker for 1956-1964. 1973-1985 figures based on retail sales. Prior years based on R.L. Polk registrations.

DEALERS

Past NADA presidents

1987 — James T. Caplinger
Chevrolet, Chrysler
England, Ark.

1986 — James B. Woulfe
Ford, Chrysler
Dublin, Calif.

1985 — William J. Symes
Cadillac
Pasadena, Calif.

1984 — James P. Jennings
Chevrolet
Glenview, Ill.

1983 — William C. Turnbull
GMC, International Harvester
Huntington, W. Va.

1982 — George W. Lyles
Chevrolet, Rolls-Royce
High Point, N.C.

1981 — Wendel H. Miller
Dodge, Honda, Lincoln-Mercury
Binghampton, N.Y.

1980 — George S. Irvin
Chevrolet, Subaru, BMW,
Mercedes-Benz
Denver, Colo.

1979 — William C. Doenges
Ford, Toyota
Bartlesville, Okla.

1978 — Robert P. Mallon
Ford
Tacoma, Wash.

1977 — Reed T. Draper
Chevrolet
Saginaw, Mich.

1976 — John J. Pohanka
Oldsmobile, Fiat, Honda
Marlow Heights, Md.

1975 — William E. Hancock Jr.
Buick-Opel
Columbia, S.C.

1974 — Hugh R. Gibson
Ford
Cleveland, Ohio

1973 — John S. Hinckley
Dodge
Ogden, Utah

1972 — Charles J. Whittey
Chrysler-Plymouth
Bismarck, N.D.

1971 — Warren J. McEleney
Chevrolet, Oldsmobile, Cadillac
Clinton, Iowa

1970 — Sam H. White
Oldsmobile
Houston, Texas

1969 — Lyman W. Slack
Chevrolet
Portland, Ore.

1968 — T.A. Williams Sr.
Chevrolet
Greensboro, N.C.

1967 — William E. Voyce Jr.
Ford
Baltimore, Md.

1966 — S.E. Kossman
Buick, Cadillac, Pontiac, GMC,
Rambler, Jeep
Cleveland, Miss.

1965 — Peter Val Preda
Oldsmobile, Cadillac
Burlington, Vt.

1964 — C. Ed Flandro
Ford, Lincoln-Mercury
Pocatello, Idaho

1963 — John H. Lander
Rambler
Atlanta, Ga.

1962 — Thomas F. Abbott Jr.
Pontiac, Rambler
Fort Worth, Texas

1961 — Walter B. Cooper
Chevrolet
Fort Collins, Colo.

1960 — Birkett Williams
Ford
Cleveland Ohio

1959 — H.L. Galles
Chevrolet, Cadillac, Oldsmobile
Albuquerque, N.M.

1958 — Dean Chaffin
Chevrolet, Buick
Bozeman, Mont.

1957 — Frederick M. Sutter
Dodge, Plymouth
Columbus, Ind.

1956 — Carl E. Fribley
Pontiac, Cadillac, GMC
Norwich, N.Y.

1955 — Frank H. Yarnall
Chevrolet
Chicago

1954 — Charles C. Freed
DeSoto, Plymouth
Salt Lake City

1953 — Robert S. Armacost
Studebaker
Kansas City

1952 — J. Saxton Lloyd
Buick, Cadillac
Daytona Beach, Fla.

1951 — R.D. McKay
Chrysler-Plymouth
Wichita, Kan.

1950 — Fred L. Haller
Hudson
Washington

1949 — George F. Ziesmer
Ford
Mankato, Minn.

1948 — Ben T. Wright
Lincoln-Mercury
Chicago

1947 — M.O. Anderson
Buick
Seattle

1945-'46 — W.L. Mallon
Pontiac
Newark, N.J.

1944 — D.G. Kelly
Dodge, Plymouth
Grand Forks, N.D.

1942-'43 — D.E. Castles
Buick
St. Louis

1942 — Harry Sommers
Chrysler-Plymouth
Atlanta

1941 — L. Clare Cargile
Chevrolet
Texarkana, Ark.

1939-'40 — Stanley H. Horner
Buick
Washington

1938 — J.W. Roby
Shreveport, La.

1936-'37 — E.M. Lied
Omaha

1933-'35 — F.W.A. Vesper
St. Louis

1932 — Floris Nagelvoort
Seattle

1931 — F.J. Edwards
Milwaukee

1930 — J.R. Histed
Beverly Hills, Calif.

1929 — W.E. Griffith
San Francisco

1928 — C.C. Coddington
Charlotte, N.C.

1927 — W.L. Hughson
San Francisco

1926 — C.B. Warren
New York

1925 — Charles F. Gambill
San Marino, Calif.

1924 — John L. Butler
Los Angeles

1923 — G.G.G. Peckham
Cleveland

1922 — Thomas J. Hay
Chicago

1922 — W.J. Brace
Kansas City

1921 — Jesse A. Smith
Milwaukee

1920 — H.B. Harper
Rosemont, Pa.

1918-'19 — F.W.A. Vesper
St. Louis

1917 — George W. Browne
Milwaukee ■

FOURTH QUARTER FINANCE RATES BY FINANCE COMPANIES, COMMERCIAL BANKS

Year	Prime Rate	Rates on New Autos: Commercial Banks	Rates on New Autos: Finance Companies	Used Autos: Finance Companies	New Auto Sales* (Millions of Units)
1978	10.9	11.3	13.2	17.9	11.19
1979	15.5	12.9	13.8	18.4	9.89
1980	16.1	14.3	15.3	19.4	8.92
1981	17.0	17.4	16.5	20.5	7.27
1982	12.0	16.0	12.8	20.7	8.45
1983	11.0	13.5	13.5	18.2	10.04
1984	11.8	13.9	15.2	18.3	10.35
1985	9.5	12.4	11.4	17.2	10.28
1986	7.5	10.6	11.8	15.2	11.48

*Seasonally adjusted annual rate. SOURCES: Board of Governors of the Federal Reserve System; MVMA.

USED VEHICLE SALES BY FRANCHISED NEW CAR & TRUCK DEALERS IN U.S.

(In thousands)

Year	Retail	Wholesale	Total
1972	10,295	2,260	12,555
1973	9,942	2,333	12,275
1974	8,625	2,023	10,648
1975	9,137	2,144	11,281
1976	10,035	2,478	12,513
1977	10,097	2,847	12,944
1978	9,903	3,127	13,030
1979	8,804	2,810	11,614
1980	7,818	2,469	10,287
1981	8,178	2,582	10,760
1982	7,959	2,500	10,459
1983	8,508	2,687	11,195
1984	9,442	3,031	12,473
1985	9,602	3,118	12,720
1986	9,750	3,240	12,990

SOURCE: NADA Industry Analysis Department

AVERAGE U.S. DEALERSHIP PROFILE (In dollars)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	% Change 1985-'86
Total Dealership Sales	4,717,718	5,005,359	4,760,000	5,529,484	6,139,848	7,710,594	9,334,735	10,476,167	11,259,821	7.48
Total Dealership Gross	676,521	725,277	731,612	817,811	852,211	1,058,665	1,259,256	1,497,044	1,597,769	6.73
As % of Total Sales	14.34	14.49	15.37	14.79	13.88	13.73	13.49	14.29	14.19	
Total Dealership Expense	584,054	662,209	702,576	753,669	772,393	893,658	1,055,758	1,266,569	1,354,556	6.95
As % of Total Sales	12.38	13.23	14.76	13.63	12.58	11.59	11.31	12.09	12.03	
Net Profit Before Taxes	92,467	63,068	29,036	64,142	79,818	165,007	203,497	230,476	243,212	5.53
As % of Total Sales	1.96	1.26	0.61	1.16	1.30	2.14	2.18	2.20	2.16	
(Net Pre-tax Profit in Constant '67 Dollars)	47,312	29,005	11,765	23,550	27,607	55,293	65,412	71,532	74,060	3.53
New Vehicle Department Sales	3,024,057	3,178,403	2,932,160	3,378,515	3,769,867	4,888,517	6,104,917	7,071,413	7,577,859	7.16
As % of Total Sales	64.10	63.50	61.60	61.10	61.40	63.40	65.40	67.50	67.30	
Used Vehicle Department Sales	986,003	1,016,088	999,600	1,266,252	1,399,885	1,734,884	1,988,298	2,053,329	2,240,704	9.13
As % of Total Sales	20.90	20.30	21.00	22.90	22.80	22.50	21.30	19.60	19.90	
Service and Parts Sales	707,658	810,868	828,240	884,717	970,096	1,087,194	1,241,520	1,351,426	1,441,257	6.65
As % of Total Sales	15.20	16.20	17.40	16.00	15.80	14.10	13.30	12.90	12.80	
New Vehicle Average Selling Price	6,470	6,950	7,530	8,850	9,910	10,725	11,100	11,925	12,850	7.76
Average Net Worth (As of 12/31)	353,123	397,566	378,981	385,330	421,693	556,722	569,686	652,721	646,002	(1.03)
Net Profit as % of Net Worth	26.19	15.86	7.66	16.65	18.93	29.64	35.71	35.31	37.65	

SOURCE: NADA Industry Analysis Department

ET CETERA

MAJOR AUTOMAKERS' JOINT VENTURES, EQUITY STAKES WITH OTHER CAR COMPANIES, ASSEMBLY OPERATIONS

UNITED STATES

American Motors Corp.
49% of Arab American Vehicles Ltd., Egypt. Jeep assembly.
31.4% of Beijing Automobile Works, China. 4wd vehicle assembly.
(Chrysler has signed a letter of intent to buy AMC.)

Chrysler Corp.
50% of Diamond-Star Motors Corp., Bloomington-Normal, Ill. Car assembly. With Mitsubishi.
24% of Mitsubishi Motors Corp., Japan.
15.6% of Maserati S.p.A., Italy. (Chrysler has option to acquire a total of 51% by 1995.)
(Chrysler has signed letter of intent to acquire American Motors Corp.)

Ford Motor Co.
70% of Ford Lio Ho Motor Co. Ltd., Taiwan.
25% of Mazda Motor Corp., Japan.
48% of Iveco-Ford Truck Ltd., Great Britain. With Iveco (Fiat).
10% of Kia Motors Corp., South Korea. (See Mazda.)
49% of Autolatina, Brazil. Car assembly. With Volkswagen (pending).
42% of South African Motor Corp., South Africa.
30% of AMIN Holdings, Malaysia. Vehicle assembly.
30% of Otomobile Sanayii Anomin Sirketi, Turkey. Car and truck manufacture.

General Motors Corp.
50% of Daewoo Motor Co. Ltd., South Korea.
38.6% of Isuzu Motors Ltd., Japan.
24% of Volvo GM Heavy Truck Corp., Greensboro, N.C. With Volvo. (GM has option to buy up to 35% by 1993.)
5.3% of Suzuki Motor Co. Ltd., Japan.
50% of New United Motor Mfg. Inc., Fremont, Calif. Car assembly. With Toyota.
49% of General Motors Kenya Ltd. Vehicle assembly.
49% of Constructora Venezolana de Vehiculos C.A., Venezuela. Vehicle assembly.
45.9% of Autos y Maquinas del Ecuador S.A., Ecuador. Vehicle assembly.
31% of General Motors Egypt S.A.E. Commercial vehicle assembly and manufacture.
22% of Omnibus BB Transportes S.A., Ecuador. Bus manufacture, vehicle assembly.
20% of Industries Mecaniques Maghrebines S.A., Tunisia. Vehicle assembly. (See Isuzu.)

JAPAN

Daihatsu Motor Co. Ltd.
Has equity stake in Daihatsu Malaysia. Vehicle assembly.
Has equity stake in Daihatsu Indonesia. Vehicle assembly.
(Percentages not available)

Fuji Heavy Industries Ltd. (Subaru)
49% of Subaru-Isuzu Automotive Inc., Lafayatte, Ind. Car and truck assembly. With Isuzu.
35% of Ta Ching Motor Co., Taiwan. Small-car assembly.

Honda Motor Co. Ltd.
29% of Honda Cars Thailand. Car assembly.
25% of NZMC Ltd., New Zealand. Car assembly.
17% of Oriental Assemblers Sdn. Bhd., Malaysia. Car assembly.
13.5% of San Yang Industry Co. Ltd., Taiwan.
10% of Tata Engineering and Locomotive Co. Ltd., India. Car assembly.

Isuzu Motors Ltd.
51% of Subaru-Isuzu Automotive Inc., Lafayette, Ind. Car and truck assembly. With Fuji.
47.4% of Isuzu Motors Co. Ltd., Thailand. Vehicle manufacture.
25% of Automotive Manufacturers Sdn. Bhd., Malaysia. Vehicle manufacture.
20% of General Motors Egypt S.A.E. Commercial vehicle assembly and manufacture.
15% of Qingling Motors Co. Ltd., China. Vehicle manufacture.
15% of Anadolu Otomotiv Sanayii ve Ticaret A.S., Turkey. Vehicle manufacture.
10% of Industries Mecaniques Maghrebines, Tunisia. Vehicle assembly. (See General Motors.)

Mazda Motor Corp.
50.6% of Kijkamol Sukosol Co. Ltd., Thailand. Vehicle assembly.
50% of Mazda Motors of New Zealand Ltd. Car and commercial vehicle assembly.
31.8% of Asia Automobile Industries Sdn. Bhd., Malaysia. Vehicle assembly.
15.6% of Swaraj Mazda Ltd., India. Commercial vehicle assembly.
15% of Compania Colombiana Automotriz S.A., Colombia. Car and commercial vehicle assembly.
8% of Kia Motors Corp., South Korea. (See Ford.)

Mitsubishi Motors Corp.
30% of Perusahaan Otomobil Nasional Sdn. Bhd. (PROTON), Malaysia.
15% of Hyundai Motor Corp., South Korea. (7.5% each held by MMC and its parent, Mitsubishi Heavy Industries.)
50% of Diamond-Star Motors Corp., Bloomington-Normal, Ill. Car assembly. With Chrysler.
50% of Canlubang Automotive Resources Corp., Philippines. Car, truck, bus assembly.
49.8% of Mitsubishi Motors Australia Ltd. Car and truck manufacture.
49.8% of UNIVEX, Comercio e Industria de Automoveis E Camides, S.A.R.L., Portugal. Vehicle assembly.
46.7% of United Development Motor Industries Co. Ltd., Thailand. Car assembly.
19% of China Motor Co. Ltd., Taiwan. Car manufacture.
10% of Eicher Motors Ltd., India. Truck manufacture.

Nissan Motor Co. Ltd.
25% of Yue Loong Motor Co. Ltd., Taiwan.
6.1% of Fuji Heavy Industries Ltd., Japan.
91.2% of Motor Iberica S.A., Spain. Vehicle manufacture.
56.1% of Nissan Motor del Peru S.A. Vehicle manufacture.
50% of Alfa Romeo e Nissan Autoveicoli S.p.A., Italy. Small car assembly. With Alfa Romeo (Fiat).
44.5% of Nissan Diesel Motor Co. Ltd., Japan. Truck and bus manufacture.
43.7% of Nissan Shatai Co. Ltd., Japan. Car and commercial vehicle manufacture.
34% of Aichi Machine Industry Co. Ltd., Japan. Commercial vehicle manufacture.

Suzuki Motor Co. Ltd.
26% of Maruti Udyog Ltd., India. Van, pickup, car and 4wd vehicle assembly.
17.3% of Land Rover Santana S.A., Spain. 4wd vehicle assembly.
12.5% of Pak Suzuki Motor Co. Ltd., Pakistan. Van, pickup, car, 4wd vehicle assembly.

Toyota Motor Corp.
22% of Kuo Zui Motor Co., Taiwan.
15.1% of Daihatsu Motor Co. Ltd., Japan.
64.6% of Toyota Motor Thailand Co. Ltd. Vehicle assembly.
50% of New United Motor Mfg. Inc., Fremont, Calif. Car assembly. With General Motors.
50% of AMI Toyota Ltd., Australia. Vehicle assembly.
49.1% of Toyota del Peru S.A. Vehicle assembly.
49% of P.T. Toyota-Astra Motor, Indonesia. Vehicle assembly.
27% of Salvador Caetano, Portugal. Vehicle assembly.
26% of DCM Toyota Ltd., India. Small-truck assembly.
11.3% of Hino Motors Ltd., Japan. Truck and bus manufacture.

EUROPE

Fiat S.p.A.
81.8% of Fiasa-Fiat Automoveis S.A., Brazil. Car manufacture.
75% of Plantations Reuniens du Bandundu, Zaire. Commercial vehicle assembly.
70% of The Automotive Manufacturing Co. of Ethiopia. Commercial vehicle assembly.
50% of Ferrari, Italy. Car assembly. With Ferrari.
50% of Societa Europea Veicoli Leggeri, Italy. Van assembly. With Peugeot.
49% of Fabrica de Motores—Fademotor C.A., Venezuela. Commercial vehicle assembly.
48% of Iveco-Ford Truck Ltd., Great Britain. With Ford.
40% of National Trucks Manufacturers Ltd., Nigeria.
33% of Incar Ltd., Tanzania. Car and commercial vehicle assembly.
25% of Khodrowsazan Sherkat Sanati, Iran. Light commercial vehicle assembly.
25% of Libyan Trucks and Bus Co., Libya.
20% of Somaca S.A., Morocco. Car assembly.
20% of Livingstone Motor Assemblers Ltd., Zambia.
15% of L'Auto-Locomotion S.A., Belgium. Vehicle assembly.
15% of SEVEL Argentina S.A., Argentina. Car assembly.

Peugeot S.A.
65% of Citroen Hispania, Spain. Car assembly.
59% of Automotores Franco-Chilena, Chile. Car assembly.
49% of Societe Anonyme des Usines Chausson, France. Car and commercial vehicle manufacture. With Renault.
50% of Societa Europea Vercoli Leggeri, Italy. Van assembly. With Fiat.
44% of Peugeot Automobile Nigeria Ltd. Car assembly.
22% of Guanzhou Peugeot Automobile Co. Ltd., China. Light truck and car assembly.
20% of Ste. Marocaine de Constructions Automobiles—Somaca, Morocco. Car assembly.

Saab-Scania AB
50% of Saab-Valmet, Finland. Car manufacture.

Renault
46.1% of American Motors Corp., Southfield, Mich. (Sale to Chrysler pending.)
41.9% of Mack Trucks Inc., Allentown, Pa.
90% of Renault Truck Industries, Great Britain. Truck assembly.
90% of Renault Vehiculos Industriales, Spain. Commercial vehicle assembly.
66.6% of Renault Portuguesa, Portugal. Car assembly.
55% of Renault Montage Tunisie, Tunisia. Car assembly.
49.9% of Renault Maroc, Morocco. Car assembly.
49.8% of Sociedad de Fabricacion de Automores S.A., Colombia. Car assembly.
49% of Societe Anonyme des Usines Chausson. Passenger cars, commercial vehicles, components. With Peugeot.
44% of Oyak Renault Otomobil Fabrikalari A.S., Turkey. Car assembly.

Volkswagen AG
75% of SEAT, Spain. (VW has option to buy rest of company by 1990.)
51% of Autolatina, Brazil. Car assembly. With Ford (pending).
50% of Shanghai-Volkswagen Automotive Co., China. Vehicle assembly.
49% of TAS Tvornica Automobila Sarajevo, Yugoslavia. Car assembly.
40% of Volkswagen of Nigeria Ltd. Vehicle assembly.
33% of Forjaria Sao Bernardo S.A., Brazil. Vehicle assembly.

AB Volvo
76% of Volvo GM Heavy Truck Corp., Greensboro, N.C. With General Motors.

NOTE: List does not include equity holdings greater than 95% or less than 5%. Automakers in above countries that aren't listed, such as BMW and Rover Group, have no major equity stakes.

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IMPORTED NEW-CAR INVENTORIES

(Compiled by Automotive News)

	Unit Count	Days' Supply
1982		
January 1	383,228	60.5
February 1	375,784	56.5
March 1	371,553	51
April 1	366,059	49
May 1	368,113	56
June 1	399,030	52.5
July 1	438,113	57
August 1	429,663	56
September 1	387,780	51
October 1	354,500	48.5
November 1	365,467	56
December 1	374,775	51
1983		
January 1	380,316	54
February 1	355,603	49
March 1	316,745	41
April 1	287,408	35
May 1	294,703	40
June 1	275,411	33
July 1	251,787	28
August 1	227,819	26.5
September 1	195,418	25
October 1	200,939	30
November 1	217,965	29
December 1	224,290	29
1984		
January 1	223,527	30
February 1	205,337	26
March 1	207,683	28
April 1	212,315	27
May 1	221,547	32
June 1	213,780	23
July 1	216,815	25
August 1	197,688	24
September 1	184,513	23.5
October 1	179,171	24
November 1	186,567	24
December 1	232,152	27
1985		
January 1	259,033	32.5
February 1	262,990	33
March 1	250,216	31
April 1	221,179	29
May 1	262,444	34
June 1	297,000	29
July 1	310,221	31
August 1	291,871	29
September 1	293,268	31
October 1	280,248	29
November 1	276,006	28
December 1	304,079	31
1986		
January 1	338,315	28
February 1	329,798	36
March 1	333,893	37
April 1	338,084	37
May 1	346,487	38
June 1	387,911	37
July 1	400,106	40
August 1	443,244	40
September 1	437,297	41
October 1	391,724	36
November 1	425,608	42
December 1	455,303	41
1987		
January 1	473,165	38
February 1	471,547	62
March 1	531,520	58

ET CETERA

CAR SCRAPPAGE IN U.S. SINCE 1955

	CARS IN USE ON JULY 1		CARS IN USE ON JUNE 30	Growth of Cars In Use During Period	New Cars Registered 7-1/6-30	Cars Scrapped During Period	Growth % of Cars in Use	Scrappage % of New Cars Regis. During Period	Scrappage % of Cars in Use on July 1
1955	47,377,970	1956	49,803,977	2,426,007	6,738,766	4,312,759	5.1	64.0	9.1
1956	49,803,977	1957	51,432,460	1,628,483	5,937,636	4,309,153	3.3	72.6	8.7
1957	51,432,460	1958	52,492,509	1,060,049	5,281,656	4,221,607	2.1	79.9	8.2
1958	52,492,509	1959	55,086,761	2,594,252	5,575,893	2,981,641	4.9	53.5	5.7
1959	55,086,761	1960	57,102,676	2,015,915	6,364,634	4,348,719	3.7	68.3	7.9
1960	57,102,676	1961	58,854,380	1,751,704	6,045,822	4,294,118	3.1	71.0	7.5
1961	58,854,380	1962	60,919,579	2,065,199	6,425,973	4,360,774	3.5	67.9	7.4
1962	60,919,579	1963	63,493,277	2,573,698	7,314,715	4,741,017	4.2	64.8	7.8
1963	63,493,277	1964	66,051,415	2,558,138	7,877,424	5,319,286	4.0	67.5	8.4
1964	66,051,415	1965	68,939,770	2,888,355	8,592,728	5,704,373	4.4	66.4	8.6
1965	68,939,770	1966	71,263,738	3,023,968(1)	9,197,480	6,173,512	4.4	67.1	9.0
1966	71,263,738	1967	72,967,686	1,703,948	8,688,162	6,984,214	2.4	80.4	9.8
1967	72,967,686	1968	75,358,034	2,390,348	8,590,365	6,200,017	3.3	72.2	8.5
1968	75,358,034	1969	78,494,938	3,136,904	9,485,392	6,348,488	4.2	66.9	8.4
1969	78,494,938	1970	80,448,463	1,953,525	9,414,509	7,460,984	2.5	79.2	9.5
1970	80,448,463	1971	83,137,324	2,688,861	8,709,902	6,021,041	3.3	69.1	7.5
1971	83,137,324	1972	86,438,957	3,120,633(2)	10,178,662	7,058,029	3.8	69.3	8.5
1972	86,438,957	1973	89,805,159	3,366,202	11,353,586	7,987,384	3.9	70.4	9.2
1973	89,805,159	1974	92,607,551	2,802,392	9,996,071	7,193,679	3.1	72.0	8.0
1974	92,607,551	1975	95,240,602	2,633,051	8,301,759	5,668,708	2.8	68.3	6.1
1975	95,240,602	1976	97,818,221	2,577,619	9,406,522	6,828,903	2.6	72.6	7.2
1976	97,818,221	1977	99,903,594	2,085,373	10,319,298	8,233,925	2.1	79.8	8.4
1977	99,903,594	1978	102,956,713	3,053,119	10,960,194	7,907,075	3.1	72.1	7.9
1978	102,956,713	1979	104,676,507	1,719,794	11,032,068	9,312,274	1.7	84.4	9.0
1979	103,365,589*	1980	104,563,781	1,198,192	9,603,185	8,404,993	1.2	87.5	8.1
1980	104,563,781	1981	105,838,582	1,274,801	8,817,281	7,542,480	1.2	85.5	7.2
1981	105,838,582	1982	106,867,108	1,028,526	7,949,799	6,921,273	1.0	87.1	6.5
1982	106,867,108	1983	108,961,215	2,094,107	8,336,651	6,242,544	2.0	74.9	5.8
1983	108,961,215	1984	112,018,640	3,057,425	9,732,353	6,674,928	2.8	68.6	6.1
1984	112,018,640	1985	114,662,333	2,643,693	10,372,287	7,728,594	2.4	74.5	6.9
1985	114,662,333	1986	117,268,071	2,605,738	11,048,203	8,442,465	2.3	76.4	7.4

*—Adjusted to reflect transfer of 1,310,918 window vans from passenger total.
(1)—Each year many trucks are issued passenger car license plates because oftheir intended use or local state laws. Beginning in 1966 VIN prefixes were used to achieve an accurate means of identifying these trucks in all states. The 1965 growth and scrappage figures have been adjusted to reflect the estimated 700,000 trucks which were selected from the passenger car file and properly counted as trucks.
(2)—Each year vehicles registered in one state to an address in a different state have been excluded from the count of vehicles in operation. Beginning in 1971 about 181,000 passenger cars registered to fleets at out-of-state addresses have been included.
NOTE: Adjustments for the absence of Oklahoma and other states have been made where applicable.
R.L. POLK & CO. MOTOR STATISTICAL DIVISION

TRUCK SCRAPPAGE IN U.S. SINCE 1955

	TRUCKS IN USE ON JULY 1		TRUCKS IN USE ON JUNE 30	Growth of Trucks In Use During Period	New Trucks Registered 7-1/6-30	Trucks Scrapped During Period	Growth % of Trucks in Use	Scrappage % of New Trucks Regis. During Period	Scrappage % of Trucks in Use on July 1
1955	9,162,444	1956	9,544,082	381,638	977,895	596,257	4.2	61.0	6.5
1956	9,544,082	1957	9,775,950	231,868	862,171	630,303	2.4	73.1	6.6
1957	9,775,950	1958	10,056,567	280,617	782,862	502,245	2.9	64.2	5.1
1958	10,056,567	1959	10,532,145	475,578	847,663	372,085	4.7	43.9	3.7
1959	10,532,145	1960	10,802,959	270,814	961,382	690,568	2.6	71.8	6.6
1960	10,802,959	1961	11,042,770	239,811	886,602	646,791	2.2	73.0	6.0
1961	11,042,770	1962	11,463,381	420,611	996,514	575,903	3.8	57.8	5.2
1962	11,463,381	1963	11,902,039	438,658	1,158,697	720,039	3.8	62.1	6.3
1963	11,902,039	1964	12,444,964	542,925	1,322,795	779,870	4.6	59.0	6.6
1964	12,444,964	1965	13,126,579	681,615	1,417,590	735,975	5.5	51.9	5.9
1965	13,126,579	1966	14,356,591	530,012(1)	1,603,605	1,073,593	4.0	66.9	8.2
1966	14,356,591	1967	14,988,491	631,900	1,578,549	946,649	4.4	60.0	6.6
1967	14,988,491	1968	15,684,917	696,426	1,556,968	860,542	4.6	55.3	5.7
1968	15,684,917	1969	16,586,368	901,451	1,867,454	966,003	5.7	51.7	6.2
1969	16,586,368	1970	17,687,505	1,101,137	1,938,310	837,173	6.6	43.2	5.0
1970	17,687,505	1971	18,462,287	774,782	1,818,659	1,043,877	4.4	57.4	5.9
1971	18,426,287	1972	19,772,938	1,310,651	2,358,682	1,048,031	7.1	44.4	5.7
1972	19,772,938	1973	21,411,931	1,638,993	2,846,529	1,207,536	8.3	42.4	6.1
1973	21,411,931	1974	23,312,245	1,900,314	2,947,521	1,047,207	8.9	35.5	4.9
1974	23,312,245	1975	24,812,843	1,500,598	2,408,297	907,699	6.4	37.7	3.9
1975	24,812,843	1976	26,560,296	1,747,453	2,844,910	1,097,457	6.6	38.6	4.4
1976	26,560,296	1977	28,221,661	1,661,365	3,329,018	1,667,653	5.9	50.1	6.3
1977	28,221,661	1978	30,564,701	2,343,040	3,769,334	1,426,294	8.3	37.8	5.1
1978	30,564,701	1979	32,582,991	2,018,290	3,934,432	1,916,142	6.6	48.7	6.3
1979	33,893,909*	1980	35,267,535	1,373,626	3,105,296	1,731,670	4.1	55.8	5.1
1980	35,267,535	1981	36,069,197	801,662	2,320,208	1,518,546	2.3	65.4	4.3
1981	36,069,197	1982	36,986,537	917,340	2,376,135	1,458,795	2.5	61.4	4.0
1982	36,986,537	1983	38,143,304	1,156,767	2,647,738	1,490,971	3.1	56.3	4.0
1983	38,143,304	1984	40,142,872	1,999,568	3,601,457	1,601,889	5.2	44.5	4.2
1984	40,142,872	1985	42,386,882	2,244,010	4,344,130	2,100,120	5.6	48.3	5.2
1985	42,386,882	1986	44,825,523	2,438,641	4,747,731	2,311,090	5.8	48.7	5.5

*—Adjusted to reflect transfer of 1,310,918 window vans from passenger car total to truck total.
(1)—Each year many trucks are issued passenger car license plates because of their intented use or local states laws. Beginning in 1966 VIN prefixes were used to achieve an accurate means of identifying these trucks in all states. The 1965 growth and scrappage figures have been adjusted to reflect the estimated 700,000 trucks that were selected from the passenger car file and properly counted as trucks.
NOTE: Adjustments for the absence of Oklahoma and other states have been made where applicable.
R.L. POLK & CO. MOTOR STATISTICAL DIVISION

U.S. NEW-CAR INVENTORIES

(Compiled by Automotive News)

	Unit Count	Days' Supply
1977		
January 1	1,464,657	55
February 1	1,535,279	66
March 1	1,645,127	59
April 1	1,697,158	51
May 1	1,696,984	53
June 1	1,746,603	52
July 1	1,805,829	51
August 1	1,762,740	60
September 1	1,526,874	57
October 1	1,628,237	62
November 1	1,629,347	49
December 1	1,709,015	58
1978		
January 1	1,730,914	70
February 1	1,887,540	86
March 1	1,951,780	74
April 1	1,991,003	61
May 1	2,007,914	61
June 1	1,970,221	58
July 1	1,911,089	53
August 1	1,724,195	52
September 1	1,510,410	57
October 1	1,606,309	54
November 1	1,629,382	48
December 1	1,717,908	56
1979		
January 1	1,729,221	67
February 1	1,872,697	76
March 1	1,957,340	69
April 1	1,974,082	62
May 1	1,913,597	62
June 1	2,033,997	66
July 1	2,152,834	80
August 1	2,026,315	73
September 1	1,752,661	67
October 1	1,751,694	70
November 1	1,743,012	65
December 1	1,767,097	73
1980		
January 1	1,661,718	75
February 1	1,598,548	71
March 1	1,610,544	68
April 1	1,567,187	61
May 1	1,584,804	76
June 1	1,597,866	83
July 1	1,627,857	80
August 1	1,506,681	72
September 1	1,336,595	69
October 1	1,373,383	71
November 1	1,389,549	56
December 1	1,439,998	65
1981		
January 1	1,448,450	80
February 1	1,421,023	78
March 1	1,334,919	59
April 1	1,216,068	44
May 1	1,348,836	66
June 1	1,471,656	70
July 1	1,664,871	83
August 1	1,675,193	87
September 1	1,485,692	64
October 1	1,426,922	69
November 1	1,480,768	81
December 1	1,491,078	83
1982		
January 1	1,471,053	107
February 1	1,431,983	97
March 1	1,325,073	70
April 1	1,246,648	58
May 1	1,260,633	66
June 1	1,212,727	52
July 1	1,364,214	78
August 1	1,377,130	83
September 1	1,379,434	88
October 1	1,350,366	69
November 1	1,295,704	69
December 1	1,164,338	52
1983		
January 1	1,195,989	65
February 1	1,180,291	71
March 1	1,248,384	68
April 1	1,235,313	55
May 1	1,193,296	53
June 1	1,194,510	47
July 1	1,209,000	47
August 1	1,102,103	48
September 1	1,108,570	55
October 1	1,195,755	55
November 1	1,224,092	48
December 1	1,307,756	55
1984		
January 1	1,357,995	63
February 1	1,477,399	63
March 1	1,537,290	59
April 1	1,579,155	56
May 1	1,541,985	53
June 1	1,467,214	47
July 1	1,445,799	52
August 1	1,297,864	47
September 1	1,277,484	57
October 1	1,266,201	54
November 1	1,296,182	51
December 1	1,405,417	58
1985		
January 1	1,417,164	63
February 1	1,565,456	65
March 1	1,603,527	59
April 1	1,572,998	53
May 1	1,615,026	52
June 1	1,546,188	50
July 1	1,576,762	58
August 1	1,579,595	65
September 1	1,413,483	51
October 1	1,242,071	36
November 1	1,433,567	65
December 1	1,605,832	78
1986		
January 1	1,629,649	73
February 1	1,767,086	72
March 1	1,867,265	73
April 1	1,906,998	76
May 1	1,945,048	70
June 1	1,866,853	62
July 1	1,859,576	63
August 1	1,725,524	69
September 1	1,557,291	63
October 1	1,291,280	60
November 1	1,412,637	68
December 1	1,531,295	71
1987		
January 1	1,506,557	58
February 1	1,734,299	105
March 1	1,869,591	81

LOCAL ADVERTISING BY FRANCHISED DEALERS

(Estimated totals in millions spent in 1986 by all dealers)

By Media Used	
Newspapers	$1,760
Radio	732
TV	553
Direct Mail	143
Outdoor (Billboards, Signs)	66
Displays, Demonstrations	38
Programs (Theater, Sports, School, etc.)	30
Handouts, Handbills	14
Other	28
TOTAL	$3,364
By Type of Advertising	
New Vehicle	$1,790
Used Vehicle	928
Institutional	367
Service	279
TOTAL	$3,364

SOURCE: NADA Data for 1986; NADA Industry Analysis Dept.

1985 MEDIA SPENDING BY LEADING VEHICLE MANUFACTURERS

Thousands of dollars

	Newspapers	Magazines	Farm pub.	Network TV	Spot TV	Network Radio	Spot Radio	Outdoor	Unmeasured	Total 1985	Total 1984
General Motors	140,979	107,524	1,953	209,898	49,067	9,034	27,942	3,633	212,320	779,000	763,800
Ford Motor Co.	77,295	114,739	3,026	191,373	37,087	7,625	14,493	3,222	153,087	614,600	559,400
Chrysler Corp.	42,000	73,579	738	96,194	63,133	4,269	23,549	3,027	78,495	393,400	317,400
Toyota	20,761	16,412	192	27,793	71,014	989	5,210	2,173	22,343	172,035	137,900
Nissan	16,504	17,199	.....	34,860	44,974	.....	11,663	1,385	34,379	162,566	164,200
American Honda	10,331	23,940	514	55,109	9,820	3,323	5,881	90	42,556	156,475	134,700
American Motors	9,902	23,888	.....	52,690	3,701	.....	1,489	217	31,727	126,000	120,500
VW of America	10,966	35,920	.....	34,892	15,678	.....	1,957	297	21,395	123,100	103,000
Mazda	5,029	22,296	.....	38,776	5,381	.....	33	8	28,241	101,743	71,797
Daimler-Benz AG	18,008	7,064	.....	17,422	4,390	.....	325	23	16,759	64,643	N.A.
INDUSTRY TOTAL	351,775	442,561	6,423	759,007	304,245	25,240	92,542	14,075	641,302	2,693,562	2,372,697

Expenditures based on Advertising Age estimates.

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WORLD PASSENGER CARS IN OPERATION (As of January 1987)

Country	1987
Afghanistan	32,000
Algeria	575,253
Angola	121,372
Argentina	4,016,386
Australia	7,058,500
Austria	2,568,347
Bahamas	66,625
Bahrain	76,356
Bangladesh	45,166
Barbados	35,089
Belgium	3,359,678
Belize	1,624
Benin	22,645
Bermuda	24,669
Bolivia	30,778
Botswana	14,201
Brazil	10,681,228
Brunei	69,536
Bulgaria	680,000
Burkina Faso	9,734
Burma	27,215
Burundi	8,451
Cameroon	91,570
Canada	10,703,912
Central African Republic	14,407
Chile	487,965
China (Mainland)	127,000
Colombia	1,045,776
Congo (Brazzaville)	27,545
Costa Rica	75,922
Cyprus	122,150
Czechoslovakia	2,696,468
Denmark	1,496,940
Dominican Republic	101,740
Ecuador	79,508
Egypt	432,584
El Salvador	49,711
Ethiopia	39,033
Fiji Islands	31,746
Finland	1,591,406
France	21,570,000
French Guiana	23,303
French Polynesia	36,366
Germany, East	3,390,840
Germany, West	26,455,914
Ghana	57,307
Gibraltar	9,102
Greece	1,235,400
Guadeloupe	72,502
Guam	110,334
Guatemala	95,599
Guyana	28,680
Haiti	32,926
Honduras	25,766
Hong Kong	178,010
Hungary	1,507,572
Iceland	112,527
India	1,116,526
Indonesia	759,961
Iran	1,755,600
Iraq	279,720
Ireland	664,985
Israel	716,249
Italy	22,870,000
Ivory Coast	182,959
Jamaica	111,250
Japan	28,874,785
Jordan	150,075
Kenya	122,340
Kuwait	619,981
Lebanon	592,269
Liberia	27,650
Libya	416,405
Luxembourg	143,731
Madagascar	47,171
Malawi	15,718
Malaysia	1,159,033
Mali	21,370
Malta	91,298
Martinique	78,884
Mauritania	8,447
Mauritius	37,994
Mexico	4,828,281
Morocco	472,893
Mozambique	83,898
Netherlands	4,901,300
Netherlands Antilles	75,934
New Caledonia	46,817
New Zealand	1,541,061
Nicaragua	30,672
Niger	17,206
Nigeria	852,547
Norway	1,531,801
Oman	125,811
Pakistan	385,702
Panama	151,993
Papua New Guinea	29,990
Paraguay	32,694
Peru	408,912
Philippines	250,094
Poland	4,045,573
Portugal	1,135,643
Puerto Rico	1,222,060
Qatar	87,953
Reunion	143,192
Romania	250,000
Samoa America	4,416
Saudi Arabia	1,566,331
Senegambia	63,600
Sierra Leone	17,692
Singapore	272,705
South Africa	3,160,372
South Korea	588,624
Spain	9,575,155
Sri Lanka	148,873
Sudan	35,865
Suriname	30,443
Swaziland	11,514
Sweden	3,201,140
Switzerland	2,667,213
Syria	120,419
Taiwan	942,802
Tanzania	41,223
Thailand	517,891
Togo	25,734
Trinidad & Tobago	267,870
Tunisia	146,221
Turkey	873,903
Uganda	31,868
United Arab Emirates	260,924
United Kingdom	18,360,729
United States	132,347,200
Uruguay	163,339
U.S.S.R.	13,125,482
Vanuatu	4,102
Venezuela	1,537,306
Virgin Islands, U.S.	43,391
Yemen, North	22,704
Yemen, South	11,874
Yugoslavia	3,076,779
Zaire	93,941
Zambia	98,537
Zimbabwe	179,908
WORLD TOTAL	380,836,904

NOTE: Numbers are based on sales and attrition rates and do not reflect official governments' figures.
SOURCE: Strategy Support Associates.

John Lotter, Ltd.

It's What Happens Down The Road That Counts

Out there alone. When the sun is an ember. When darkness hovers beyond a distant ridge. When dust and shadow share the road with you—and nothing more. You need to know one thing.

First American will be there when you need us.

Indeed, our extended service contract program can yield the driver up to 5 years worth of down the road confidence. No matter how many miles he drives.

And it can make the dealer more confident too. In fact, a lot more confident. A flexible cash commission on every sale, retail prices for work done under service contract, returns on fully earned contracts, and investment income on reserves—all mean a smoother ride when the going's good. And security when the going's rough.

More importantly, as the oldest and strongest independent in the insured service contract industry, we promise something others really can't.

Our presence.
Down the road.
Where it counts.

FIRST AMERICAN WARRANTY CORPORATION

3100 Broadway
Kansas City, MO 64111
(816)531-7668
In Missouri
1-800-892-6032
All Other States
1-800-821-5546

©First American Warranty Corporation, 1984

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LEADING AUTO DEALER TELEVISION ADVERTISERS IN 1986

	1985	1986	Percent Change
Cal Worthington - Los Angeles	4,153,400	4,020,000	– 3
Frontier Ford - Dallas	312,000	2,874,900	+821
Cal Worthington - Seattle	2,097,500	2,538,800	+ 21
Potamkin Cadillac - New York	2,551,500	1,522,900	– 40
Cal Worthington - Sacramento	2,172,600	2,515,600	+ 16
Wilson Ford - Los Angeles	2,123,400	2,508,200	+ 18
Celozzi-Ettleson - Chicago	2,006,800	1,635,200	– 19
Long-Lewis Ford - Birmingham	1,535,900	1,580,500	+ 3
Pete Ellis Motors - Los Angeles	1,894,300	1,550,000	– 18
Toresco Autoland - New York	46,700	1,266,100	+2611
Jeff Legum Chevy/Datsun - Baltimore	1,707,000	1,262,800	– 26
Ocean Cadillac - Miami	545,700	1,128,000	+107
Kelley Chevrolet - Miami	1,714,800	1,107,000	– 35
Subaru Ford - Sacramento	1,570,300	1,096,100	– 30
Sonoyta Subaru - Phoenix	918,900	1,089,400	+ 19
TOTAL	$311,211,700	$339,001,500	+ 9

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 75 markets.

AUTOMOBILES BY NAMEPLATE — LEADING 1986 TELEVISION ADVERTISERS

	— 1985 —			— 1986 —			
	Network	Spot TV	Total TV	Network	Spot TV	Total TV	% Change
Ford	$74,406,700	$27,537,600	$101,944,300	$75,433,400	$41,150,700	$116,584,100	+ 14
Chevrolet	57,373,300	38,406,500	95,779,800	54,172,300	38,590,800	92,763,100	– 3
Toyota	17,691,600	26,628,900	44,320,500	19,818,200	56,213,300	76,031,500	+ 72
Honda	32,697,300	12,095,100	44,792,400	35,706,500	34,787,200	70,493,700	+ 57
Pontiac	30,844,000	30,493,500	61,337,500	31,413,800	41,114,700	72,528,500	+ 18
Nissan	18,385,300	43,603,400	61,988,700	26,273,700	39,271,000	65,544,700	+ 6
Oldsmobile	20,723,400	35,966,400	56,689,800	26,222,600	37,983,200	64,205,800	+ 13
Volkswagen	26,593,100	13,808,900	40,402,000	33,812,400	19,093,600	52,906,000	+ 31
Buick	21,053,100	26,202,600	47,255,700	23,042,400	24,720,300	47,762,700	+ 1
Mercury	33,375,500	15,514,300	48,889,800	31,433,600	15,364,600	46,798,200	– 4
Hyundai	0	0	0	4,077,300	39,519,600	43,596,900	—
Dodge	24,619,400	18,519,500	43,138,900	22,538,800	20,257,800	42,796,600	– 1
Mazda	25,321,900	13,120,500	38,442,400	21,479,500	18,913,400	40,392,900	+ 5
Subaru	10,523,700	20,145,900	30,669,600	14,072,000	25,674,200	39,746,200	+ 30
BMW	10,736,800	16,411,700	27,148,500	17,559,600	16,560,600	34,120,200	+ 26

NOTE: Includes leasing. Expenditures for television commercials advertising two nameplates or vehicle types divided between the two brands.
SOURCE: Special analysis by the Television Bureau of Advertising of data compiled by Broadcast Advertisers Reports.

AUTOMOTIVE REPLACEMENT BATTERY SHIPMENTS BY U.S. MANUFACTURERS

	1986		1985		Percent Change	
	Month	Year	Month	Year	Month	Year
JAN.	4,776,008	4,776,008	4,592,752	4,592,752	+3.99	+3.99
FEB.	3,510,864	8,286,872	4,544,532	9,137,284	–22.75	–9.31
MARCH	3,760,061	12,045,933	3,854,690	12,991,974	–2.45	–7.27
APRIL	4,088,561	16,135,494	3,494,863	16,486,837	+16.99	–2.13
MAY	4,242,945	20,378,439	3,740,749	20,227,586	+13.42	+0.75
JUNE	4,060,829	24,439,268	4,011,122	24,238,708	+1.24	+0.83
JULY	4,661,603	29,100,871	4,073,462	28,312,170	+14.44	+2.79
AUG.	5,668,395	34,769,266	5,358,617	33,670,787	+5.78	+3.26
SEPT.	6,460,826	41,230,091	6,156,259	39,827,046	+4.95	+3.52
OCT.	6,936,338	48,166,429	6,734,886	46,561,932	+2.99	+3.45
NOV.	6,170,407	54,336,836	5,634,206	52,196,138	+9.52	+4.10
DEC.	5,969,168	60,306,004	6,467,451	58,663,589	–7.99	+2.76

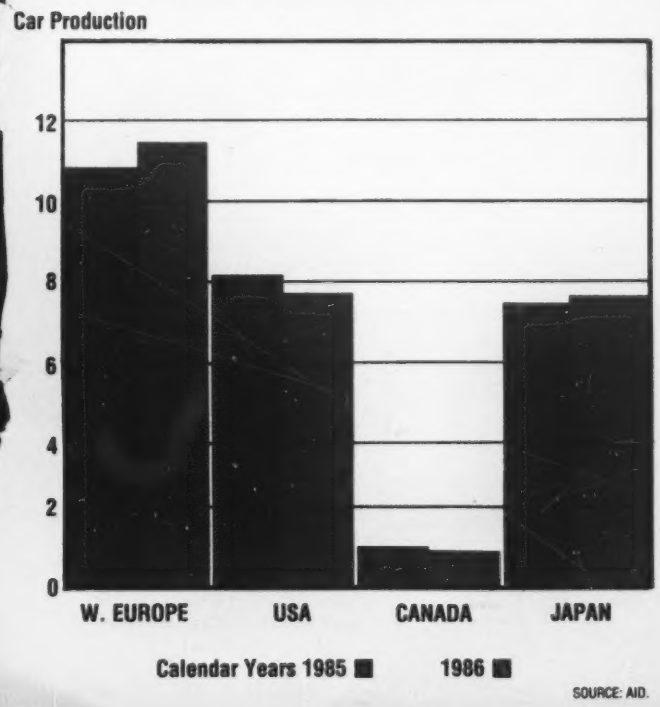
TRUCKS, VANS, JEEPS, PICKUPS — LEADING 1986 TELEVISION ADVERTISERS

	— 1985 —			— 1986 —			
	Network	Spot TV	Total TV	Network	Spot TV	Total TV	% Change
Toyota	$10,101,600	$51,747,600	$61,849,200	$13,285,800	$69,416,900	$82,702,700	+ 34
Nissan	16,474,300	47,174,200	63,648,500	19,992,500	52,082,000	72,074,500	+ 13
Ford	41,254,400	18,514,800	59,769,200	35,260,000	34,335,100	69,595,100	+ 16
Chevrolet	32,282,900	20,176,600	52,459,500	35,870,600	24,778,500	60,649,100	+ 16
Dodge	23,420,400	17,066,100	40,486,500	19,467,100	19,421,600	38,888,700	– 4
Jeep	17,125,900	6,778,600	23,904,500	27,955,400	9,778,900	37,734,300	+ 58
Mazda	13,311,500	4,987,800	18,299,300	17,664,800	13,324,700	30,989,500	+ 69
Isuzu	2,947,200	2,815,000	5,762,200	4,870,100	12,738,800	17,608,900	+206
GMC	338,400	7,328,800	7,667,200	3,144,500	10,028,500	13,173,000	+ 72
Mitsubishi	0	7,378,000	7,378,000	3,382,700	9,435,500	12,818,200	+ 74

NOTE: Expenditures for television commercials advertising two nameplates or vehicle types divided between the two brands.
SOURCE: Special analysis by the Television Bureau of Advertising of data compiled by Broadcast Advertisers Reports.

1986 PASSENGER CAR PRODUCTION

Main Western World Markets (Millions of Units)



SOURCE: AID.

NEW FLEET CAR SALES FOR NON-PERSONAL SERVICE

(Estimates in millions of vehicles)

	1978	1979	1980	1981	1982	1983	1984	1985	% Change 1985-'84
Domestic	4.401	4.302	3.784	3.475	3.252	3.848	4.501	4.550	1.011
Import	0.3730	0.3860	0.5210	0.528	0.463	0.496	0.484	0.595	1.229
Percent of Import	7.8	8.2	12.1	13.2	12.5	11.4	9.8	11.6	—
Total Fleet	4.774	4.704	4.305	4.003	3.715	4.344	4.985	5.145	1.032
% of Fleet to All Car Sales	43.6	45.5	49.1	47.4	47.9	46.7	49.3	47.2	—
New Car Sales to Individuals for Personal Use									
Domestic	4.599	3.678	2.508	2.537	2.209	2.619	3.094	3.327	1.075
Import	1.573	1.953	1.948	1.904	1.830	2.457	2.039	2.417	1.185
Total	6.172	5.631	4.456	4.441	4.039	5.076	5.133	5.744	1.119
% Import to All Individual Sales	25.5	34.7	43.7	42.9	45.3	48.4	39.7	42.1	—
Total Sales									
Domestic	9.000	7.996	6.292	6.012	5.461	6.467	7.595	7.877	1.037
Import	1.946	2.339	2.469	2.432	2.293	2.457	2.523	3.011	1.193
Total	10.946	10.335	8.761	8.444	7.754	8.924	10.118	10.889	1.076
% Import to Total Car Sales	17.8	22.6	28.1	28.8	29.6	27.5	24.9	27.7	—

NOTE: Fleet units are those driven primarily (more than 50 percent) for non-personal uses. Imports include units produced in the U.S. by foreign companies.
SOURCE: Hertz Corp.

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DEALER INTRODUCTION DATES OF U.S. MODELS

	1983	1984	1985	1986	1987
AMERICAN MOTORS					
Eagle	Sept. 22, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 1, 1985	Oct. 2, 1986
Spirit	Sept. 22, 1982				
BUICK					
Century	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Electra	Sept. 23, 1982	Sept. 23, 1983	April 5, 1984	Oct. 3, 1985	Oct. 9, 1986
LeSabre	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Nov. 14, 1985	Oct. 9, 1986
Regal	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Riviera	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Nov. 14, 1985	Oct. 9, 1986
Skyhawk	Sept. 23, 1982	Sept. 22, 1983	Nov. 8, 1984	Oct. 3, 1985	Oct. 9, 1986
Skylark X	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984		
Somerset			Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
CADILLAC					
Allante					March 1, 1987
Fleetwood/Brougham	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Cimarron	Sept. 23, 1982	Sept. 22, 1983	Nov. 8, 1984	Oct. 3, 1985	Oct. 9, 1986
DeVille			April 5, 1984	Oct. 3, 1985	Oct. 9, 1986
Eldorado	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Nov. 14, 1985	Oct. 9, 1986
Limousine	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Seville	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Nov. 14, 1985	Oct. 9, 1986
CHEVROLET					
Camaro	Nov. 18, 1982	Sept. 22, 1983	Nov. 8, 1984	Oct. 3, 1985	Oct. 9, 1986
Cavalier	Sept. 23, 1982	Sept. 22, 1983	Nov. 8, 1984	Oct. 3, 1985	Oct. 9, 1986
Celebrity	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Chevette	Sept. 23, 1982	Sept. 22, 1983	Nov. 21, 1984	Oct. 3, 1985	Oct. 9, 1986
Citation	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984		
Corsica/Beretta					March 12 1987
Corvette		Apr. 21, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Impala/Caprice	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Malibu	Sept. 23, 1982				
Monte Carlo	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Nova			June 13, 1985	Oct. 3, 1985	Oct. 9, 1986
CHRYSLER					
Cordoba	Oct. 5, 1982				
Exec. Sedan/Limousine		Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	
Fifth Avenue	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Laser		Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	
LeBaron	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
LeBaron GTS			Jan. 2, 1985	Oct. 3, 1985	Oct. 2, 1986
LeBaron J					Jan. 22, 1987
New Yorker	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
DODGE					
Aries	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Charger	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Daytona		Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Jan. 25, 1987
Diplomat	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Dodge 400	Oct. 5, 1982				
Dodge 600	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Lancer			Jan. 2, 1985	Oct. 3, 1985	Oct. 2, 1986
Mirada	Oct. 5, 1982				
Omni	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Shadow					Sept. 18, 1986
FORD					
Crown Victoria	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Oct. 9, 1986
Escort/EXP	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Oct. 9, 1986
Fairmont	Sept. 23, 1982				
Granada/LTD	Oct. 14, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	
Mustang	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Nov. 6, 1986
Taurus				Dec. 23, 1985	Oct. 9, 1986
Tempo		May 26, 1983	Oct. 4, 1984	Nov. 14, 1985	Oct. 9, 1986
Thunderbird	Feb. 17, 1983	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Nov. 6, 1986
HONDA					
Accord	Oct. 27, 1982	Sept. 12, 1983	Sept. 13, 1984	Sept. 18, 1985	Sept. 22, 1986
Civic					Sept. 22, 1986
LINCOLN					
Town Car	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Oct. 9, 1986
Continental	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Nov. 14, 1985	Oct. 9, 1986
Mark VI/MarkVII	Sept. 23, 1982	Nov. 10, 1983	Oct. 4, 1984	Nov. 14, 1985	Oct. 9, 1986
MERCURY					
Capri	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	
Cougar	Feb. 17, 1983	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Oct. 9, 1986
Grand Marquis	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Oct. 9, 1986
LN7	Sept. 23, 1982				
Lynx	Sept. 23, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Oct. 9, 1986
Marquis	Oct. 14, 1982	Sept. 22, 1983	Oct. 4, 1984	Oct. 3, 1985	Nov. 6, 1986
Sable				Dec. 26, 1985	Oct. 9, 1986
Topaz		May 26, 1983	Oct. 4, 1984	Nov. 14, 1985	Oct. 9, 1986
Zephyr	Sept. 23, 1982				
NISSAN					
Sentra				July 1985	March 17, 1986
OLDSMOBILE					
Calais			Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Cutlass Ciera	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Cutlass Supreme	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Olds 88	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Nov. 14, 1985	Oct. 9, 1986
Firenza	Sept. 23, 1982	Sept. 22, 1983	Nov. 8, 1984	Oct. 3, 1985	Oct. 9, 1986
Ninety-Eight	Sept. 23, 1982	Sept. 22, 1983	April 15, 1984	Oct. 3, 1985	Oct. 9, 1986
Omega	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984		
Toronado	Sept. 23, 1982	Sept. 22, 1983	Oct. 2, 1984	Nov. 14, 1985	Oct. 9, 1986
PLYMOUTH					
Caravelle			Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Gran Fury	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Horizon	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Reliant	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
Sundance					Sept. 18, 1986
TC-3/Turismo	Oct. 5, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 3, 1985	Oct. 2, 1986
PONTIAC					
Bonneville	Sept. 23, 1982	Sept. 12, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Fiero		Sept. 12, 1983	Jan. 10, 1985	Oct. 3, 1985	Oct. 9, 1986
Firebird	Sept. 23, 1982	Sept. 12, 1983	Nov. 8, 1984	Oct. 3, 1985	Oct. 9, 1986
Grand Am			Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
Grand Prix	Sept. 23, 1982	Sept. 12, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
1000	Sept. 23, 1982	Sept. 12, 1983	Nov. 21, 1984	Oct. 3, 1985	Oct. 9, 1986
Parisienne/Bonneville	Feb. 25, 1983	Sept. 12, 1983	Oct. 2, 1984	Oct. 3, 1985	
Phoenix	Sept. 23, 1982	Sept. 12, 1983	Oct. 2, 1984		
6000	Sept. 23, 1982	Sept. 12, 1983	Oct. 2, 1984	Oct. 3, 1985	Oct. 9, 1986
2000/Sunbird	Sept. 23, 1982	Sept. 12, 1983	Nov. 8, 1984	Oct. 3, 1985	Oct. 9, 1986
RENAULT					
Alliance	Sept. 22, 1982	Sept. 29, 1983	Oct. 1, 1984	Oct. 1, 1985	Oct. 2, 1986
Encore		Sept. 29, 1983	Oct. 1, 1984	Oct. 1, 1985	
TOYOTA					
Corolla FX-16					Oct. 7, 1986
VOLKSWAGEN					
Golf			Nov. 15, 1984	Sept. 1985	Sept. 1986
Jetta					Oct. 1986
Rabbit	Oct. 21, 1982	Sept. 28, 1983			

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Japan's V-8s slated for U.S. dealers

Top makers aiming for 1989-90 intro

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Japan's three largest automakers are developing lightweight, powerful V-8 engines for new larger luxury vehicles that could ignite a modern-day horsepower war.

Toyota Motor Co., Nissan Motor Co. and Honda Motor Co. each will have upscale cars powered by V-8s on sale in the United States in the 1989 or 1990 model year.

They will compete at the upper end with a new generation of European performance luxury cars powered by all-new V-8 and V-12 engines. At the lower end of the luxury market, domestic automakers will respond with more powerful versions of existing V-8s and eventually some new, more sophisticated eights.

All of this will have a profound effect on the United States, with 200-plus horsepower motors becoming commonplace rather than a rarity, industry analysts say.

Audi, Lotus and Porsche are developing new V-8s aimed at that market. BMW and Daimler-Benz will soon join Jaguar, Ferrari and Lamborghini in offering V-12s on top-end models.

General Motors has new V-8 programs in the works at Chevrolet and Oldsmobile to supplement GM's present 5-liter and 5.7-liter V-8s. Cadillac is expected to offer a bored-out version of its 4.1-liter V-8 on 1988 models, hiking displacement to 4.5 liters.

Ford Motor Co. will have to rely

see V-8s, page 59

AUTOMOTIVE NEWS/JOE WILSSENS

Poling: Ford's effort "to be known as the producer of high-quality products with low cost and value for money for the consumer" is paying off

FLYING: *Ford's financial fortunes skyrocket; dealer profits, Nissan deal add lift*

By Charles Thomas, Francis J. Gawronski and Al Fleming
AUTOMOTIVE NEWS STAFF REPORTERS

It wasn't exactly a typical week in the seemingly do-no-wrong success saga of Ford Motor Co.

- Ford reported first-quarter earnings of $1.5 billion — its best ever — on the heels of its best profit year in history.
- Ford prepared for yet another joint venture the kind that on a global scale has contributed to its success — this one with Nissan.
- And Ford President Harold A. Poling, in an interview with Automotive News, smiled and said it was all part of a plan "to be known as the producer of high-quality products with low cost and value for money for the consumer. That's been the whole thrust of our effort now for several years. We think the results in the marketplace and our financial results reflect that effort."

That may be a classic understatement. Ford has become the most profitable automaker in the world. Along the way, one estimate shows that Ford dealer profits have doubled in the last year alone — when profits from most other franchises were flat or down — and that Ford dealer profits have quadrupled in the last five years. And, in the wake of Ford's announcements last week, its stock price rose five percent in just one day and was trading around $93 — 33 percent above book value. In 1981, in contrast, Ford stock traded as low as $7 a share.

see FORD, page 62

U.S. lines heating up price war

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

The battle for the small-car market has heated up again.

Pontiac has priced its entry-level LeMans at $5,995; Chevrolet has introduced a low-priced version of its Isuzu-built Spectrum; and Chrysler Motors has announced an ad campaign promoting its price advantage over Japanese competitors.

Chevrolet said last week it is introducing a new version of its front-wheel-drive Spectrum subcompact. The Spectrum Express two-door hatchback will have a manufacturer's suggested retail price of $6,495, $917 less than the previous base price.

Standard equipment includes a 1.5-liter engine, five-speed manual transmission, reclining front bucket seats, electric rear window defogger and General Motors' 6-year/60,000-mile powertrain warranty.

Dealers had been pressuring Chevrolet to provide an entry-level car to compete against the Hyundai Excel and others and fill the void left by the Chevette. The Chevette had a base price of $4,995. Production ended in December, leaving Chevrolet without a model priced closer to $5,000 than to $6,000.

Pontiac announced last week that its entry-level 1988 LeMans will have a base price of $5,995. Base prices of other models range upwards to $8,399. The car goes on sale June 11.

The LeMans was engineered by General Motors' West German subsidiary, Adam Opel AG, and is built off the Opel Kadett platform. The front-wheel-drive subcompact is assembled in South Korea by Daewoo Motor Co. GM owns 50 percent of Daewoo.

Pontiac and its dealers have viewed pricing as the key to LeMans' success. General Manager J. Michael Losh said the division listened to dealers in determining the price. "They told us

see PRICES, page 63

AN ANATOMY

Dealers, critics review Audi's crisis management

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

It's been just over a year since the Audi 5000-S began a decline that has seen its image of engineering excellence slide into a reputation for runaway acceleration.

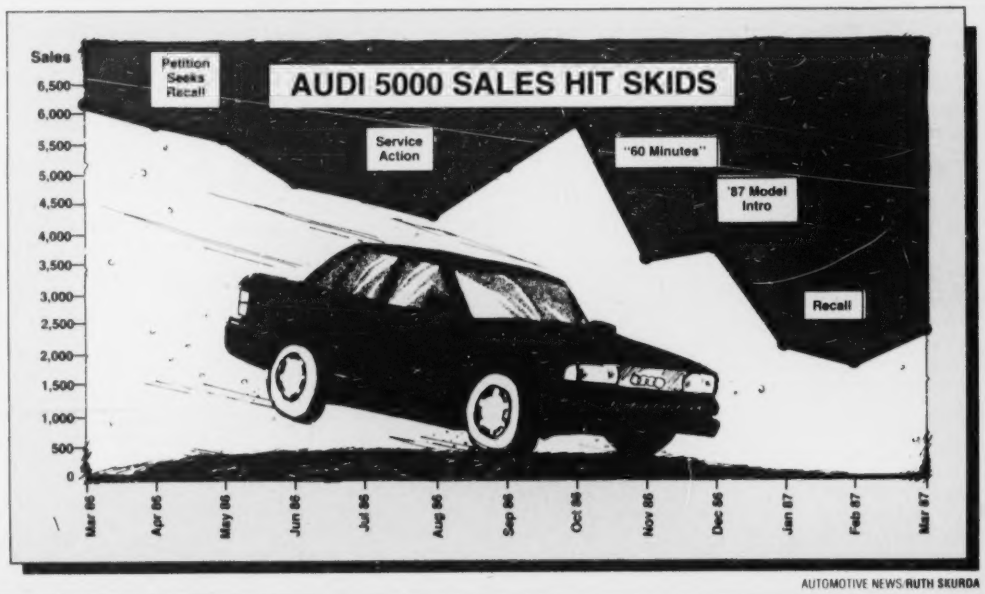
Its sales and values have slid, too. Today, Audi of America finds itself contending with lawsuits, slumping sales, crippled dealers, sinking resale prices, angry consumer groups and countless other problems as it attempts to restore credibility to its tarnished nameplate.

Along the way, dozens of decisions were made — some good, some bad; some right, some wrong. The most common way managers learn about coping with such situations is through the "case method" approach, in which previous business decisions are dissected, reviewed, critiqued and re-enacted.

Through that process, people learn. In fact, right now Audi's U.S. boss through most of the last year's trauma, Vice President Peter Fischer, is participating in a senior executive program at the Harvard Business School using the case method.

But before finding out how some students, followers and members of this industry and other organiza-

see AUDI, page 39



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House OKs trade bill with tariffs, quotas Page 2

Domestic automakers extend incentives Page 3

Iacocca sees smooth Chrysler-AMC link Page 4

Chevrolet giveaway hikes traffic for dealers

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Showroom traffic at Chevrolet dealerships is picking up as people bring in foil keys from Procter & Gamble products to see if they have won a Corsica, Beretta or pickup truck.

Generally, dealers queried by Automotive News said 30 to 50 persons visited their dealerships during the first week of the promotion to see if their keys were winners. A couple dealers said more than 100 persons turned up.

The keys are part of a $50 million promotion by Chevrolet and Procter & Gamble for which national advertising began April 25. The keys were sent by direct mail to potential customers and are on seven Procter & Gamble products.

The keys must be placed under a black light installed in a Corsica, Beretta or full-sized pickup truck at the dealership to see if the key is a winner of one of the 750 cars or pickups to be given away.

Dealers reporting the most activity were doing heavy advertising on their own or through a tie-in promotion with area supermarkets.

John F. Bergstrom, Bergstrom Chevrolet-Buick-Cadillac, Neenah, Wis., parked Corsicas and Berettas at three local supermarkets. His dealership has had a couple hundred key-holding visitors.

One customer, Bergstrom said, came in with a key, had no intention of buying a vehicle, but left with a Chevy S-10 truck.

Bergstrom said he has noticed a hesitancy on the part of customers coming to the dealership, "like a child going in the water to swim but being afraid it's too cold."

"Once they see that no one is going to bite them, they seem to enjoy the hoopla," he said.

William A. Tyrrell, of Tyrrell Chevrolet in Cheyenne, Wyo., said his dealership had seen hundreds of customers with keys. He has a new full-sized pickup parked in front of a nearby supermarket.

Bill Nimnicht Jr., of Nimnicht Chevrolet, Jacksonville, Fla., said his dealership is giving away a free car wash to people who bring in keys.

Thirty people came in during the the first few days of the promotion. Four sales, including a sale of a Corsica, were made to people with keys.

Last Thursday Chevrolet announced it is offering a choice of a $500 cash rebate or low-interest financing on Corsica and Beretta.

AUTOMOTIVE NEWS JOE WILSSENS

The Romeo site is attractive because of its proximity to Ford's engineering center in Dearborn, Mich.

Ford taps Romeo for engines

Seeks new labor pact first; 1991 startup proposed

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

An agreement was reached between UAW Local 400 officials — representing the Romeo, Mich., tractor plant — and Ford Motor Co. last week, paving the way for the new engine plant the company said it needs. The timetable suggests the plant may produce a new 4.6-liter V-8.

The agreement would reduce job classifications and institute job teams. If it is ratified and other requirements are met, the Romeo plant would not be closed as scheduled next year. But Louis R. Ross, Ford vice president — North American Automotive Operations, said the final decision will not be made until 1988.

In a statement made following the agreement with Local 400 officials, Ross said Ford needs "a new engine plant for the 1990s."

If Ford retools the Romeo plant to build V-8s, it would take another step in the automakers' march toward production of new, more efficient V-8s in the 1990s.

Joe Peters, president of Local 400, said the first engine would come off the line at the Romeo plant in 1991. Ross said production would begin "in about three years." That could tide Ford over as it awaits a new V-8, which is due to follow a V-6 from Ford's new modular engine plant in about 1994.

Peters said he heard that the planned engine for Romeo was a 4.6-liter engine, but he did not know whether it would be a V-6 or a V-8.

Ford could conceivably produce a 4.6-liter V-6 by lopping off two cylinders from its current 5.0-liter V-8, but that move is unlikely. Neither is it likely that Romeo's engine would fit in Taurus/Sable.

Sources said that personnel from the Lima plant toured the Romeo plant recently. The Lima plant builds the 3-liter V-6 engine used in the Taurus/Sable and the Aerostar minivan.

Ross would provide no specifics on the car the new engine would go into. Asked about production volume, he said it would be "a lot."

The new agreement is scheduled for a ratification vote by the members of Local 400 in mid-May. Peters said. The contract would not involve a wage cut, he said.

Ross said that if the workers ratify the agreement, Ford will "pursue Romeo as the recommended site for the plant."

The NAAO spokesman said the Romeo site is attractive because of its proximity to the company's engineering center in Dearborn, Mich. Ford has engine plants in Lima, Ohio; Cleveland; Dearborn; Windsor, Ontario; Essex, Ontario; and Chihuahua, Mexico.

On retooling the Romeo plant to build engines, Ross said, "The investment required to bring this project to fruition would be huge and requires us to conduct detailed feasibility studies. We are working toward a final decision in 1988."

A UAW spokesman in Detroit confirmed that an agreement had been reached, following weeks of discussions involving the UAW Ford Department, Local 400 leaders and Ford. He could give no details, pending ratification by the membership.

The Romeo plant opened in August 1974 and reached its peak employment of 2,500 workers in 1979. It now employs 630 workers. "This would take care of all of them," Peters said.

He said that — with the plans for Romeo — the mood at the plant is "pretty high." The leadership is recommending the agreement, he said.

The plant has been building agricultural and industrial tractors and fabricating backhoes and front loaders. Next month production of agricultural tractors will be consolidated at Ford facilities in Basildon England, said a Ford New Holland spokesman.

By mid-1988, production of industrial tractors will also be consolidated at other Ford locations in Europe, he said.

He said the 1,379,306-square-foot plant is "in mint condition," and that its workforce "is one of the finest around — it's known throughout the company. The quality of the products at the plant has increased since the closing was announced in October," he said.

"The advantage of Romeo is that it's an existing plant that works well," Ross said.

Incentives extended and sweetened

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers extended, sweetened and revised consumer incentives on cars and light trucks last week in an attempt to attract buyers and reduce heavy inventories of some models.

General Motors lowered the interest rate by two percentage points on 36- and 48-month loans. GMAC is now offering 5.9 annual percentage rate paper on 36-month loans and 6.9 percent on 48-month contracts compared with 7.9 APR and 8.9 APR, respectively, in the program that ended April 30. Loans of 3.9 APR for 24 months and 9.9 APR on 60 months also are available on certain models.

Cash rebates for some Chevrolet models have been reduced under the new program. For instance, Chevrolet reduced cash-back incentives from $1,000 to $800 on Celebrity and from $750 to $500 on Nova.

As yet, GM has not announced a spring price increase, as it did last year. GM has not raised prices since the introduction hike on 1987 models.

Chevrolet sweetened its previous program by placing the first incentives on its all-new Corsica and Berretta models. Buyers of those models can choose either a $500 cash rebate or a low-interest loan. Chevrolet dealers had complained that Corsica and Beretta prices are too high and that the previous $1,000 rebate on Celebrity models had hurt the new models.

Chevrolet also is offering $1,000 cash rebates on Camaro, $500 on Spectrum and $500 on Cavalier. Buyers must purchase cars from dealer stock. The program ends May 31 for U.S. models, June 30 for Spectrum.

Chevrolet also extended $500 cash rebates on S model pickups until May 14 and $600 rebates on RV pickups until May 9. Dealer participation cost varies by model in all Chevrolet programs.

Cadillac sweetened its incentive on 1987 and 1986 Cimarron models by adding a $600 cash rebate. A cut-rate loan program remains in effect. No dealer participation is required.

Pontiac is offering enhanced GMAC financing or cash rebates ranging from $500 to $1,200 on many 1987 models. Dealers pay 30 percent to 33 percent of the rebates.

Oldsmobile also is offering lower-rate GMAC loans and rebates from $500 to $1,200 on most of its models. Dealer participation on rebates varies by model. The division is also offering special dealer incentives on Cutlass Ciera and front-wheel-drive Delta 88 models delivered out of stock before July 31.

Buick is offering the lower GMAC loans or rebates. Rebates are $1,200 on Electras and Park Avenues, $800 on LeSabre and Century, and $500 on Skylark, Somerset and Skyhawk. Dealer participation is about 33 percent on rebates.

Ford Motor Co. extended financial incentives on selected 1986 and 1987 cars and F-series trucks until May 9 and on Ford Bronco II and Ranger models until May 31. Incentives on those vehicles were to end April 30.

Buyers of selected models can choose rebate of $400-$600 or low finance rates ranging from 3.9 percent on 24-month contracts to 9.9 percent on 60-month paper. No dealer participation is required.

AMC announced it will offer $500 cash rebates or financing ranging from zero percent for 24 months to 9.9 percent for 60 months on 1986 Renault Alliance and Encore models, 1987 Alliance and GTA models and 1986 and 1987 Jeep Comanche models, excluding the Jeep two-wheel-drive short-bed pickup.

AMC is offering $300 rebates on Medallion, $600 on 1986 and 1987 Cherokee two-door models and $400 on 1986 and 1987 Wagoneer and Cherokee four-door models.

Buyers of Medallions and two-door Cherokees can choose either the rebate or low-interest loans ranging from 3.9 percent for 24 months to 9.9 percent for 60 months. Wagoneer and four-door Cherokee buyers can choose rebates or loans ranging from 5.9 percent for 24 months to 9.9 percent for 60 months. No expiration date was announced for the AMC incentives.

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61st year—No. 5179

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DETROIT — Today's issue of Automotive News introduces a new program to assist advertisers and readers.

In this and selected other issues throughout 1987, Automotive News will feature a new ad inquiry program called ReaderService.

ReaderService will be free to both readers and advertisers who desire it.

In a ReaderService issue, each ad will be keyed with a number. Interested readers can circle the corresponding ad numbers on a ReaderService card in the issue and mail the card to Automotive News, postage-paid.

Automotive News then provides advertisers with respondent names including title, company, address, phone number and industry affiliation on gummed labels for mail, telephone or personal follow-up. Labels are forwarded biweekly for 90 days from the date of the issue.

"ReaderService was developed to enhance the communication between reader and advertiser," explained Keith E. Crain, publisher and editorial director of Automotive News. "It's a simple and effective way to bring qualified buyers and sellers together."

Issues scheduled for ReaderService are: June 15, July 27 including OEM Edition — Demographic, Aug. 24, Sept. 21 and Nov. 9.

ReaderService will not be available on classified or auction directory advertising.

For more information concerning the Automotive News ReaderService program, contact the marketing department of Automotive News at 1400 Woodbridge Ave., Detroit, MI, 48207, 313-446-6000.

New market for Chrysler minis

Extended-wheelbase vans, V-6 capture interest of converters

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors plans to become more aggressive in the minivan customizing market and in specific Class 3 commercial segments.

Its new extended-wheelbase minivans already have generated considerably more interest from converters than its previous standard-sized minivans, officials said.

Chrysler can produce 150,000 of the long-wheelbase minivans annually.

In the 1987 model year, Chrysler expects to ship about 4,000 minivans to converters, about the same number as last year, said James Lynch, sales manager, special vehicle sales, Truck Operations.

In the 1988 model year, he said, shipments to converters could range as high as 20,000 units, depending on a smooth resolution of Chrysler's labor contract with the UAW in Canada. The contract is up for renewal this fall.

A Canadian strike would upset all of Chrysler's minivan plans. Chrysler's regular minivans are built in Windsor, Ontario. The extended-wheelbase units are assembled in St. Louis.

Lynch said that about 25 of the 50 van conversion companies Chrysler does business with have been converting its minivans.

With the extra capacity and V-6 engine availability in the extended-wheelbase models, "most of our accounts are showing a renewed interest" in converting minivans, he added.

"There also is renewed interest from the raised-roof manufacturers, who are calling to get vehicles so they can develop molds for raised roofs for those models," he said.

York: "We have to plan our launches very carefully so our whole engineering office doesn't have to empty out and go to three plants at the same time."

Given a 60-day launch curve to get up to full speed in producing the new extended-wheelbase minivans, and the fact that converters do most of their work from March to June, Chrysler "won't have a ton of iron available to converters until March or April of next year," said Jerome B. York, vice president — Truck Operations.

That, of course, assumes no labor problems in Canada this fall, York cautioned.

Chrysler also is developing a new program to increase sales of its chassis cabs for Class 3 commercial applications, such as wreckers, stake, dump and high-cube trucks.

It has been setting up a commercial body distributor network in each of its 25 zones to which it will consign a certain number of chassis cabs.

It currently sells about 5,000 to 6,000 chassis cabs yearly in that 80,000-unit market, but it anticipates increasing that by at least 20 percent to 30 percent with its new program.

Under the program, called "Partners in Progress," distributors will be able to equip the chassis cabs with bodies specified by Chrysler dealers and deliver them in a few days.

"What we're trying to do is marry that body company to our dealer organization within a given territory," Lynch said. "This line of distribution will provide a customer with quick delivery of a brand-new truck and will get our dealers into this business more aggressively."

Chrysler already has signed 17 major body distributors, such as Great Lakes Truck Equipment in Cleveland, and is reviewing applications from seven others.

The new program will go into effect late this year.

As part of its program, Chrysler is planning to offer the previously reported new higher-powered turbodiesel engine supplied by Cummins.

Officials added, however, that the Cummins engine won't be available in full-sized pickups and chassis cabs until fall 1988 because of a crush of other new-product introductions it has scheduled and limited resources to handle them all.

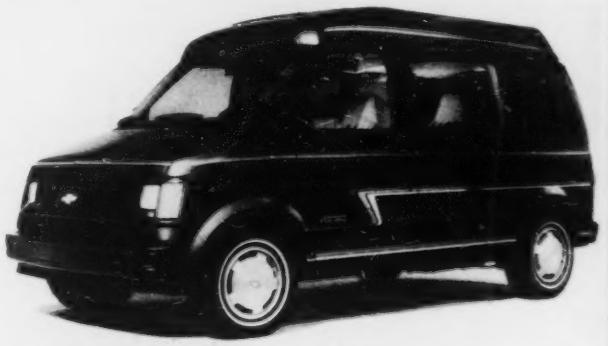
"We could launch it in December if we wanted to," York said. "But in our total new-model program, we're bringing out a new vehicle every six months, and we have finite engineering and manufacturing resources.

"We have to plan our launches very carefully so our whole engineering office doesn't have to empty out and go to three plants at the same time," he concluded.

The latest in RVing

New Starcraft campers
Starcraft, of Goshen, Ind., has redesigned its fold-down campers and has introduced four hardside campers for pickups. The fold-down campers have an improved lifter system and new graphics and colors. The hardside campers are all-new products, marketed under the Fleetstar name.

International's price cutter
International Vehicles Corp., of Bristol, Ind., developed this specially priced $17,995 van camper. Available only on a Chevrolet chassis, it features automatic transmission, power brakes and steering and other standard items like a small refrigerator, two-burner gas range, steel sink and dining table.



Raised roof for Astro van
Responding to raised-roof demand for Chevrolet's Astro, Turtle Top, of Goshen, Ind., has introduced its Sport Top, which can be installed by dealers and van conversion companies. The tops are made of fiberglass and can be painted to match the van's exterior color scheme.

RVIA chooses Louisville for 1987 show

RESTON, Va. — The Recreation Vehicle Industry Association will hold its 1987 National RV Show at the Kentucky State Fair and Exposition Center in Louisville and is leaning toward Louisville for its 1988 show.

The decision by RVIA's national board of directors to use Louisville in 1988 is still subject to final negotiations with Louisville convention site authorities.

Commitments to hold the show in Louisville beyond 1988 will not be made until RVIA-specified improvements to the Kentucky Expo Center are made, said RVIA President David J. Humphreys.

Delays in promised improvements to Kentucky Expo Center facilities initially convinced the association to alternate its national show between Louisville and Atlanta during a trail period from 1986 to 1989.

The National RV Show was held in Atlanta in 1986.

RVIA's 1987 National RV Trade Show will be held at the Kentucky Expo Center Dec. 1-4 and is tentatively scheduled there for Nov. 29-Dec. 2, 1988.

Meanwhile, RVIA reported that it plans to conduct an all-day seminar on Federal Motor Vehicle Safety Standards May 21 at the Dulles Marriott Hotel, near its Reston headquarters.

Van conversion firms working toward meeting the qualifications for membership in the association are invited to attend.

RV shipments climb, but market appears even stronger

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale RV shipments during January and February were up 3.2 percent over last year, according to the Recreation Vehicle Industry Association.

However, Ford and Chevrolet sales to their consignment pool companies indicate the industry may be in for a much stronger year than the two-month RVIA report indicates.

Dave Tarrant, RV/OEM sales manager, Ford Division, said Ford set a record for wholesale shipments to its consignment pool companies in the first quarter of calendar 1987.

The "very, very strong" first quarter start surprised Ford officials because they had an incentive on van conversions last December and felt it might affect this year's first-quarter shipments.

Recreational Vehicle Wholesale Deliveries

	Febraury 1986	February change	% change	2 months 1986	2 months 1987	% change
Travel trailers	7,400	6,100	+ 21.3	15,700	14,400	+ 9.0
Folding camping trailers	3,200	2,500	+ 28.0	6,000	6,000	0.0
Truck campers	700	500	+ 40.0	1,300	900	+ 44.4
Towable RV total	11,300	9,100	+ 24.2	23,000	21,300	+ 8.0
Conventional (type A)	3,300	2,900	+ 13.8	6,100	5,400	+ 13.0
Van Campers (type B)	500	400	+ 25.0	1,100	1,000	+ 10.0
Chopped vans (all)	2,200	2,200	0.0	4,200	4,000	+ 5.0
Motor home total	6,000	5,500	+ 9.1	11,400	10,400	+ 9.6
Van conversions	14,600	16,300	– 10.4	28,700	31,400	– 8.6
TOTAL ALL RVs	31,900	30,900	+ 3.2	63,100	63,100	0.0

Source: Recreation Vehicle Industry Association

But quite the opposite turned out to be true.

Ford saw record strength "across virtually every segment of van conversions, motor homes and related vehicles and our partial delivery vans," Tarrant added.

Similarly, Chevrolet's total shipments to bailment pool companies, basically made up of RV manufacturers, were up 20 percent over last year during the first quarter, according to Robert Rieth, Chevrolet manager of special vehicles.

Shipments were at near-record levels, Rieth added.

Tarrant said he felt that RVIA's numbers differed from Ford's because van converter members of RVIA don't all have consignment pools with Ford.

He added that it was even difficult for Ford to gauge the total number of its vans that were converted because dealers often hedged their bets in ordering a vehicle with two seats and enough equipment so that it could eventually be turned into a van conversion or a walk-in van for the commercial vehicle market.

"They'll swing with that locally," depending on particular market demand, he added.

Tarrant said he believes a "high number of vans get converted in that configuration, though there's no way to know it."

He said that slightly over 20 percent of the vans Ford sold for conversion were Aerostars (the balance being Econolines), but that the important thing was balanced availability of Aerostars in the field.

With greater minivan production industrywide and more competitive models available this year, Ford is keeping a close eye on Aerostar demand vs. supply. Thus far, it is at a "quite acceptable" level, Tarrant added.

Meanwhile, shipments of van conversions by manufacturers to dealers totaled 14,600 in February, according to RVIA, off 10.4 percent from February 1986. January-February van conversion shipments totaled 28,700 and were off 8.6 percent from a year earlier, RVIA reported.

Total shipments of 31,900 RVs in February were up 3.2 percent according to RVIA. For the first two months, total RV shipments of 63,100 were exactly equal to last year's 63,100 for the same period, RVIA said.

AUCTION DATES

American Motors

May 5 — D-A Auto Auction, New Stanton, Pa.

May 6 — Minneapolis Auto Auction, Plymouth, Minn.

May 7 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

May 8 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

May 5 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction (special program), Grand Prairie, Texas.

May 6 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

May 7 — Fredericksburg Auto Auction, Fredericksburg, Va.

May 8 — St. Louis Auto Auction, Bridgeton, Mo.

May 12 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

May 13 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Northway Exchange (special sale), Clifton Park, N.Y.

May 14 — Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis.

Used Car Sales
Auction Averages

April, 1987	$5,832
Month ago	$5,829
Year ago	$5,093

Ford Motor Co.

May 6 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City.

May 7 — Arena Auto Auction, Chicago, and Dallas Auto Auction, Dallas.

May 12 — Indianapolis Auto Auction, Indianapolis.

May 13 — Lakeland Auto Auction, Lakeland, Fla., and Golden Gate Auto Auction, Fremont, Calif.

May 14 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; and Skyline Auto Exchange, Fairfield, N.J.

May 19 — South Seattle Auto Auction, Kent, Wash.

May 20 — Columbus Fair Auto Auction, Obetz, Ohio, Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

Model Breakdown
Auction Averages

	APR 1987	MAR 1987	FEB 1987
1987	$13,266	$13,443	$13,406
1986	$9,460	$9,609	$10,038
1985	$7,236	$7,305	$7,382
1984	$5,732	$5,825	$5,940
1983	$4,842	$4,860	$4,843
1982	$3,727	$3,755	$3,628
1981	$2,635	$2,543	$2,537
1980	$2,170	$2,155	$2,167
Overall Average	$5,832	$5,829	$5,711

General Motors

May 5 — Denver Auto Auction, Englewood, Colo.

May 6 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Golden Gate Auto Auction, Fremont, Calif.; and Northstar Auto Auction, Shakopee, Minn.

May 7 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Florida Auto Auction of Orlando, Orlando, Fla.

May 12 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

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FORD

FROM PAGE 1

But it was in those down days that Ford established the formula that led to its success, reflected in the profit column last year when it earned $3.3 billion — more than General Motors. And analysts are saying Ford's strong continuing performance this year could lead to even higher profits — in the $4 billion-$4.5 billion range.

Poling and others say Ford's success has been rooted in these key areas:

- Strong positions in several market segments.
- A company-wide cost-cutting program, begun in 1979, that saved $5 billion — the equivalent of Ford's pretax 1986 profit.
- Strong aerodynamic styling in the Taurus and Sable, which beat its GM-10 competitors to market by two years and become synonymous with Ford's success.
- A truck business that even exceeds cars in sales.
- And a global strategy and strong market presence.

Ford moved even further on those last two points in announcing its joint venture with Nissan to study the joint development and production of new vehicles, first among them a competitor to Chrysler's successful minivan.

The first phase calls for a feasibility study of the joint development and production of a multipurpose vehicle to be introduced in the early 1990s in the North American market, where neither Nissan nor Ford have entries.

At the same time, Ford and Nissan jointly revealed that their Australian affiliates are to study model sharing programs.

Nissan President Yutaka Kume said the depth and scope of the North American project is unprecedented — and part of Nissan's efforts to strengthen overseas production to cope with the adverse effects stemming from the yen's appreciation.

According to a Nissan spokesman, the Nissan-Ford feasibility team, consisting of 20 members, will start its study this month with completion targeted for next spring. Production is expected to begin in the early 1990s at an annual rate of 200,000 units, with the split between the two companies yet to be decided.

The spokesman said the new multi-purpose vehicle will be a bigger version of Nissan's Prairie — the Stanza wagon in the United States.

The new model will be above the 2-liter class, he said. Currently, the Prairie is available in Japan in 1.5, 1.8 and 2.0 liters.

Ford officials first stated their desire to build a so-called "high cube" style minivan several years ago.

Whether the new vehicle would be produced in an existing Ford plant, Nissan's Smyrna, Tenn., plant or in a newly constructed plant in the United States or Canada will be governed by the outcome of the feasibility study, a Nissan spokesman said.

"The world automobile industry has entered an extremely competitive era, in which demand growth is slowing as markets become saturated, and every maker is doing its utmost to pursue product development," Kume said in announcing the agreement.

"Ironically, this era has created more opportunities for cooperation, for we must support each other in projects that will be mutually beneficial and seek to optimize all corporate resources."

The Nissan president said the common concern of both companies was profitability and because of that, "We will conduct an especially careful study of parts and components procurement, areas that will represent the largest part of the product cost."

Analysts say Ford, which owns 24.0 percent of Mazda Motor Corp., sought the linkup with Nissan because of its extensive model range and use of high technology in production.

Ford reportedly is negotiating with a third Japanese automaker to develop and produce another vehicle. It has been reported that Ford is eyeing Fuji Heavy Industries Ltd. and its fulltime four-wheel drive. Nissan owns 6.0 percent of Fuji.

Products of the minivan and four-wheel-drive class could provide Ford even more might in its battle for U.S. market share gains. Already, Ford has seen its share for U.S. passenger cars climb from 17.3 percent in 1980, to 18.2 percent in 1986, and 20.0 percent in the first quarter of 1987. Ford's U.S. truck share grew from 28.1 percent in 1986 to 29.4 percent in the first quarter of 1987.

In Europe, Ford has made gains from a 11.1 market share in 1980 to an 11.8 share in 1986 — an important unit surge of some 250,000.

In the process, Ford has established itself, in the words of industry analyst Arvid Jouppi, "as the premier world automobile company in more places making more money than anybody else."

But how long can it last? Will Ford's bubble burst?

"I think the products will continue to sell very well," said Poling. "I look for our share to continue to be strong. So far in April our share has improved over the first-quarter levels, both cars and trucks, so I'm very optimistic for the rest of the year in terms of share."

Trucks, important to the company's profitability due to their markups, are Ford's best-selling product, with the F-series truck No. 1 among all vehicles sold in the United States. Ranger, Aerostar minivans, Bronco and Econoline vans also are industry leaders.

Despite threats from BMW, Mercedes and Jaguar, Ford's Lincoln is a growth leader in the luxury car market — the Town Car's sales have increased more than 300 percent over five years.

Ford began streamlining its operations in 1979 calling for a 25 percent reduction of employees at all levels. Since then it has closed 15 plants in the United States and reduced its workforce 24.5 percent from 244,300 in 1979 to 184,500 in 1986.

And the company plans to continue reducing costs.

"Last year, before taxes, our profits were somewhat over $5 billion," Poling said. "Between 1980 and 1986 we reduced costs by about $5 billion. So there you see the reflection of the improvement of costs in terms of our profitability. And there will have to be continuous improvement in our cost structure, no question about it."

Earlier this year, for example, Ford told suppliers it wanted a 25 percent reduction in prices over the next five years.

Another success factor is the company's lean manufacturing capacity. David Cole, director of studies for automotive transportation at the University of Michigan, said: "The reason the company has done so well is that it hasn't built a plant in 30 years; instead, it has been unburdening itself."

Ford's strategy is to have as little excess capacity as possible even if it means risking sales.

"We reduced our capacity in the early 1980s and established a philosophy of operating closer to capacity over time," Poling said. "That philosophy says that we will miss some of the peaks, but we won't have as many valleys, and that over time we will operate closer to capacity. By doing so, we will be more efficient and more profitable."

Cole believes Ford must continue to invest for the long term in the types of cars that have been successful for it. He said the company has built the foundation for success but can't allow it to erode with a rich labor settlement or become lazy and complacent.

But another analyst, Maryann Keller of Furman, Selz, Mager, Dietz & Birney, is more blunt — saying, "Ford's momentum is the result of GM's flops."

Ted Sullivan, researcher with Wharton Econometrics, said: "The products Ford has are better designed for the marketplace. The Taurus/Sable — even though sluggish — are well-positioned. The Town Car is doing well and the Escort is holding up better than we thought it would."

In the near term, Ford may have to offer consumers aggressive incentives to keep inventories lean. Poling hinted there will be "some kind of marketing program" aimed at keeping the marketplace competitive.

As for when Ford's next Taurus-Sable type success might come, Poling said, "I'd like to think we've got it coming this fall. It will be called Continental."

In addition, the company plans new skin for the Ford Tempo and Mercury Topaz and a facelift for the Ford Crown Victoria and Mercury Grand Marquis. The 1988 Mercury Tracer, which is built in Mexico, went on sale in March, and the Ford Festiva, a subcompact built in South Korea, goes on sale this month.

The one storm cloud on the horizon could involve this year's contract talks with the UAW — especially if Ford is chosen as the union's strike target.

Said Poling: "Everything you read in the paper would indicate we're one of the candidates."

But, more to the point, analyst Sullivan points out that with a current 70-day car supply, Ford's stocks are hardly lean, but are lower than GM's.

Said Sullivan: "This could make it a tempting target for the UAW."

Automotive News staff reporters Joseph Bohn and Michelle Krebs contributed to this report.

FORD'S JOINT VENTURES
Producing Cars for North American Market

Company	Ford Stake	Partners	Product	Market
		Argentina-Brazil		
Autolatina	49%	VW	VW, Ford prods.	N. America (tentative)
		Mexico		
Mazda Motor Corp., Japan	25%*	Mazda	Tracer	U.S.
		South Korea		
Kia Motors Corp.	10%	Kia, Mazda	Festiva	U.S.; Canada likely
		Taiwan		
Ford Lio Ho Motor Co.	70%	Lio Ho	(Mazda) Tracer	Canada
		U.S.		
Mazda Motor Co., Japan	25%*	Mazda	Mustang	N. America

*—Ford's stake in Mazda is 25%; it does not have a direct shareholding in the Mazda plant in Flat Rock, Mich. It owns 100% of the plant in Hermosillo, Mexico.

Ford bonanza hikes U.S. profits

Company earns $1.5 billion to push combined net over '86

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. earned a record $1.5 billion in the first quarter of 1987, more than double its profit of $728 million for the year-ago period. Ford's performance enabled the four U.S.-based auto companies to increase their combined earnings 19 percent over the same period in 1986.

The industry's profits totaled $2.71 billion for the quarter, compared with $2.27 billion last year.

Ford was the only one of the Big Three to earn more in 1987 than in 1986. Chrysler Corp., which reported its results last week, showed a profit of $270 million, down from $357 million in the 1986 quarter.

General Motors and American Motors announced their first-quarter figures a week earlier (Automotive News, April 27). GM's earnings dipped to $923 million from $1.2 billion last year, and AMC showed a profit of $23.4 million after a loss of $18.9 million in the 1986 period.

Sales of the four auto companies totaled $50.4 billion in the first quarter, up 4 percent over last year.

Ford enjoyed the biggest quarter in its history. The $1.5 billion profit was realized on sales of $18.1 billion, both up substantially from a profit of $728 million and sales of $14.8 billion last year. Ford's previous quarterly profit record was $1.1 billion, set in the second quarter of 1986.

The company earned $5.73 per share of common stock in the first quarter, more than double last year's $2.70. Its profit margin (net income as a percent of sales) rose to 8.2 percent from 4.9 percent.

Factory sales of vehicles totaled 1,635,000, up 10 percent from last year.

Ford's after-tax profit in the United States was $1.2 billion for the first quarter, nearly double the 1986 figure. Outside the United States, the company earned $330 million, which was 150 percent more than last year's $132 million.

Ford's car and truck market shares in the United States, Canada and Europe were up over the first quarter of 1986. Ford's U.S. car share in the first quarter was 20 percent, an increase of 2 percentage points from the year-ago quarter, because of Ford Taurus and Mercury Sable, Ford said. Ford's U.S. truck share was 29.4 percent, up 1.7 points from the first quarter of 1986.

Ford Motor Credit Co. also had its best quarter in history. Its first-quarter profit of $196 million was 44 percent higher than in 1986. First Nationwide Financial earned $26 million, up 18 percent from $22 million a year ago.

UAW Vice President Stephen P. Yokich, who directs the union's Ford department, said Ford's "record-shattering first-quarter earnings are gratifying but also troubling to the union."

Yokich said the union hopes Ford management is mindful of the sacrifices UAW members have made at Ford. He said the sacrifices, including massive permanent layoffs of the hourly workforce since 1979, "are clearly the source of a large share of Ford's profits today."

He said Ford should expect to share its success with workers in upcoming contract negotiations. The UAW's national contracts with Ford and General Motors expire Sept. 14.

"Ford is obviously in a strong position — strong enough to commit to secure jobs in this country for more UAW members, and that is the commitment we will be seeking," Yokich said.

Chrysler Corp.'s earnings slipped 24 percent, to $270 million from $357 million in the first quarter of 1986. Sales totaled $6.0 billion, up 3 percent over last year's $5.8 billion. Worldwide factory sales of vehicles were 570,002, up 1 percent from 566,771 in the year-earlier quarter.

On a per-share basis, Chrysler made $1.24 this year vs. $1.57 last year.

Chrysler increased its market share in almost every category. Its share of the overall car and truck market in the United States (including imports) was 11.9 percent for the quarter, compared with 11.2 percent in the first quarter a year ago. Chrysler's market share for cars was 11.1 percent, up from 11.0 percent; its truck market share jumped to 13.3 percent for the quarter from 11.7 percent for the year-ago period.

Chrysler Chairman Lee Iacocca said the lower earnings reflected the cost of incentives, which was $100 million higher this year than in last year's first quarter, and the production loss of Chrysler's high-profit-margin and high-volume vehicles while plants were being retooled.

"We're right in the middle of launching 12 new products in an 18-month span," Iacocca said at a press conference to announce earnings. "It's expensive. It becomes even more expensive when you have three of your biggest plants involved in changeover."

Iacocca said Chrysler spent nearly $600 million during the quarter for plant modernization and new products. Chrysler's St. Louis I plant was still on its acceleration curve for the new Chrysler LeBaron Coupe and Dodge Daytona. Production of the Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury was moved from the St. Louis II plant to American Motors' Kenosha, Wis., plant during the quarter; and St. Louis II began producing the stretch minivans.

The Belvidere, Ill., plant stopped building the Dodge Omni and Plymouth Horizon to prepare for production of the Dodge Dynasty and Chrysler New Yorker Brougham.

Meanwhile, Chrysler Financial Corp. reported record first-quarter earnings of $62 million, up 59 percent from the previous record of $39 million in the first quarter of 1986.

AUTOMAKERS' SALES, PROFITS
(In millions of dollars)
FIRST QUARTER

	1987 Sales	1987 Profit (Loss)	1986 Sales	1986 Profit (Loss)
American Motors	$1,101.6	$23.4	$918.2	($18.9)
Chrysler Corp.	6,029.3	269.7	5,777.8	356.9
Ford Motor Co.	18,142.6	1,491.6	14,785.1	728.3
General Motors	26,096.9	922.5	26,820.1	1,196.9
TOTAL	50,370.4	2,707.2	48,301.2	2,265.2

PRODUCTION

Car output is 164,471

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Recovering from Easter holiday downtime, last week's targeted auto production of 164,471 was 18.41 percent more than the previous week's 138,895 and slightly higher (0.10 percent) than the year-ago week's 164,310.

So far this year, 2,669,975 cars have been assembled, 8.98 percent below the 2,933,249 completed last year at this point.

Last week's estimated production was shared as follows: General Motors, 54.04 percent; Ford Motor Co., 24.62 percent; Chrysler Motors, 13.32 percent; Honda of America Manufacturing Inc., 3.75 percent; New United Motor Manufacturing Inc., 1.95 percent; Nissan Motor Manufacturing Co. U.S.A., 1.86 percent; and American Motors, 0.46 percent.

Volkswagen of America's plant in Westmoreland, Pa., was idle last week for inventory adjustment. The plant is expected to resume operations today (May 4).

As previously reported, GM's Leeds, Mo., plant will be down until May 11 for inventory adjustment, affecting 2,000 workers.

GM's Lakewood, Ga., assembly plant is idle for model changeover. The plant is expected to resume production May 18.

Chrysler's Belvidere, Ill., plant is down for model changeover and is expected to return in early July.

Saturday (May 2) overtime was slated for Ford's Lorain, Ohio, plant.

All Ford car plants are scheduled for daily overtime this week (May 4).

Chrysler scheduled Saturday overtime at its St. Louis (No. 1) and Sterling Heights, Mich., plants.

Those plants and the Newark, Del., plant are scheduled for daily overtime this week.

Truck production on a roll

Domestic truckmakers scheduled production of 79,975 units last week, 21.03 percent more than the previous week's 66,080 and 8.60 percent more than the year-ago week's 73,645. The week of April 20 included a one-day extension of the Easter holiday.

Year-to-date, 1,279,452 trucks have been built, 2.18 percent more than the 1,252,164 assembled last year at this time.

General Motors slated Saturday (May 2) overtime at five plants: Baltimore; Detroit; Lordstown, Ohio; Flint, Mich.; and Pontiac, Mich. (medium-duty line).

No Saturday overtime was scheduled at Ford Motor Co. truck plants.

Canadian trucks aim high

Last week, Canadian truckmakers scheduled their highest week's production so far this year.

Targeted output of 19,199 trucks was 4.82 percent more than the previous week's 18,317, and 0.91 percent more than the year-ago week's 19,025.

Year-to-date, 277,268 units have been assembled, 16.37 percent below the 331,541 built last year at this point.

Last week's estimated auto production of 17,876 was 1.96 percent more than the prior week's 17,532 but 27.06 percent below the year-ago week's 24,507.

So far this year 286,695 cars have been assembled, 28.56 percent less than the 401,324 completed last year at this time.

As reported earlier, General Motors' Ste. Therese, Quebec, plant remains idle for model changeover. The plant is expected to resume production May 18.

CANADIAN CAR	Week Ended May 2, 1987	Week Ended May 3, 1986	Week Ended April 25, 1987	April Est.	Jan. 1 to May 3, 1986	Jan. 1 to May 2, 1987
AMERICAN MOTORS	100	110	88	447	2,128	2,299
FORD MOTOR	11,645	11,230	11,527	48,399	196,055	182,191
GENERAL MOTORS	5,606	12,942	5,439	15,698	199,345	97,705
HONDA	300	0	253	1,002	0	945
VOLVO	225	225	225	945	3,796	3,555
Total Cars, Canada	17,876	24,507	17,532	66,491	401,324	286,695
U.S. TRUCK☆						
CHEVROLET	24,085	24,438	18,666	94,658	433,386	382,575
DODGE	4,700	1,912	3,889	21,361	6,928	82,860
FORD	31,485	29,904	25,693	127,151	513,296	518,240
GMC	8,872	6,706	8,011	34,721	129,751	127,826
NAVISTAR	1,679	1,306	1,662	6,963	26,263	25,739
JEEP	4,500	3,469	3,595	17,792	68,727	74,599
NISSAN	1,904	3,560	1,814	7,538	33,941	28,413
AM GENERAL	450	50	450	1,740	872	2,400
MISCELLANEOUS	2,300	2,300	2,300	10,120	39,000	36,800
Total Trucks, U.S.	79,975	73,645	66,080	322,043	1,252,164	1,279,452
CANADIAN TRUCK						
AMERICAN MOTORS	750	841	759	3,090	6,623	10,733
CHRYSLER	8,494	8,588	8,345	34,808	153,453	142,234
FORD	3,648	3,572	3,503	14,291	61,841	53,518
GENERAL MOTORS	6,102	5,815	5,507	22,440	106,115	67,566
NAVISTAR	205	209	203	853	3,509	3,217
Total Trucks, Canada	19,199	19,025	18,317	75,482	331,541	277,268
N. American Trucks	99,174	92,670	84,397	397,525	1,583,705	1,556,720

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended May 2, 1987	Week Ended May 3, 1986	Week Ended April 25, 1987	April Est.	Jan. 1 to May 3, 1986	Jan. 1 to May 2, 1987
AMERICAN MOTORS	750	0	608	3,057	16,543	11,385
Renault Total	750	0	608	3,057	16,543	11,385
Alliance	750	0	608	3,057	14,445	11,385
Encore	0	0	0	0	2,098	0
CHRYSLER MOTORS	21,900	24,047	19,178	93,065	499,303	401,664
Plymouth Total	5,300	8,196	4,628	22,972	141,826	133,760
Horizon	0	3,197	0	0	53,999	32,997
Sundance	1,900	0	1,926	9,113	0	37,663
Reliant	2,300	3,686	1,808	9,219	62,031	42,685
Caravelle	900	935	776	4,071	20,320	19,638
Gran Fury	200	380	118	569	5,476	777
Chrysler Total	9,200	6,575	8,231	38,441	173,009	121,026
Laser	0	808	0	0	19,217	0
LeBaron K	1,700	2,196	1,305	7,093	42,719	30,410
LeBaron J	3,300	0	3,294	13,589	0	34,782
LeBaron GTS	900	0	890	4,016	26,930	14,606
New Yorker/E-Class	1,800	1,436	1,563	7,940	34,737	30,731
Fifth Avenue	1,500	2,131	1,179	5,822	49,406	10,497
Dodge Total	7,400	9,274	6,319	31,652	184,468	146,878
Daytona	1,500	1,191	1,260	6,298	18,587	17,115
Omni	0	3,092	0	0	54,451	28,363
Shadow	2,100	0	2,114	9,880	0	35,604
Aries	2,300	2,396	1,648	8,668	44,937	37,971
Dodge 600	900	1,761	748	4,017	30,394	17,454
Lancer	400	0	386	1,983	24,637	9,236
Diplomat	200	834	163	815	11,462	1,135
FORD MOTOR	40,485	39,278	32,720	169,013	641,687	685,177
Ford Division	28,524	27,045	23,460	121,220	438,080	476,682
Escort	7,200	8,476	5,667	31,301	142,554	124,266
Mustang	4,596	4,004	4,309	19,306	70,177	75,303
Tempo	3,979	4,110	3,246	16,458	72,221	66,798
Taurus	8,030	6,754	7,122	37,152	92,153	156,757
Thunderbird	4,819	3,701	3,116	17,003	60,975	53,558
L-M Division	11,861	12,233	9,260	47,793	203,607	208,495
Mercury Total	7,761	8,569	5,995	31,408	138,320	145,776
Lynx	641	1,193	523	2,978	22,897	18,148
Capri	0	306	0	0	6,155	0
Topaz	1,447	1,320	1,162	5,511	22,793	20,586
Cougar	3,199	2,444	2,109	11,457	42,066	57,890
Sable	2,474	3,306	2,201	11,462	44,389	49,152
Lincoln Total	4,100	3,664	3,265	16,385	65,287	62,719
Continental	411	410	327	1,643	7,410	6,280
Lincoln	3,075	2,746	2,450	12,292	46,973	47,038
Mark VII	614	508	488	2,450	8,904	9,401
GENERAL MOTORS	88,906	91,522	71,989	332,971	1,597,759	1,322,203
Buick Total	14,976	17,585	11,650	50,360	263,120	212,836
Skyhawk	0	1,894	587	2,322	31,076	13,713
Century	5,146	6,022	4,062	15,549	88,391	67,291
Regal	1,121	1,545	886	3,274	17,645	15,174
Somerset/Skylark	1,787	2,557	1,513	6,183	35,552	27,553
LeSabre (fwd)	3,785	3,168	2,092	13,620	37,967	40,952
LeSabre/Electra(rwd)	269	300	244	1,103	4,834	4,623
Electra(fwd)	2,583	1,441	2,066	7,565	39,788	37,158
Riviera	285	658	200	744	7,867	6,372
Cadillac Total	6,586	8,108	4,934	23,195	111,266	110,059
Cimarron	280	623	58	433	9,394	5,953
Allante	125	0	81	412	0	1,017
Brougham (rwd)	1,200	2,178	890	4,477	30,011	27,817
DeVille (fwd)	4,000	4,064	3,212	15,301	57,566	60,974
Eldorado	518	609	365	1,341	7,868	5,812
Seville	463	634	328	1,230	6,427	8,486
Chevrolet Total	34,731	27,677	27,328	134,379	518,489	496,788
Chevette	0	2,214	0	0	43,094	0
Camaro	3,100	4,947	2,667	12,867	77,579	36,791
Cavalier	8,500	8,718	6,957	34,496	152,031	127,036
Celebrity	7,791	5,470	6,073	27,247	107,300	127,708
Corsica/Beretta	7750	0	5307	28,749	0	91,474
Monte Carlo	1,650	2,164	1,400	6,690	41,919	24,979
Chevrolet	5,300	3,523	4,413	21,785	87,086	78,528
Corvette	640	641	511	2,565	9,480	10,272
Oldsmobile Total	16,062	20,661	13,749	59,499	407,832	248,218
Firenza	0	415	535	1,844	18,755	3,411
Calais	3,013	2,195	2,255	9,979	48,557	39,382
Cutlass Ciera	3,701	4,904	2,943	12,325	48,757	61,972
Cutlass Supreme	3,124	2,463	2,689	10,591	67,593	24,648
88 (fwd)	3,987	8,218	3,609	16,078	115,556	74,231
88 (rwd)	475	388	362	1,796	8,010	6,566
Olds 98	1,200	1,597	983	5,530	44,934	28,619
Toronado	562	481	373	1,355	5,671	5,791
Pontiac Total	16,551	17,491	14,328	65,538	297,052	254,302
Acadian**	0	623	0	0	5,508	0
Fiero	1,200	1,068	926	2,739	28,312	12,975
1000	0	1,128	0	0	9,751	0
Firebird	1,805	2,649	1,661	8,155	41,500	28,123
2000 Sunbird	2,439	3,000	1,799	9,772	50,447	40,967
Grand Am	5,200	4,777	5,027	23,223	77,780	87,040
6000	2,510	2,775	2,067	7,664	53,872	30,018
Bonneville	3150	0	2587	12,566	0	50,607
Safari/Parisienne	247	1,471	261	1,420	29,882	4,572
HONDA	6,170	3,827	6,605	27,712	64,052	111,863
Civic	1501	0	1603	6,714	0	35,413
Accord	4,669	3,827	5,002	20,998	64,052	76,450
NISSAN	3,060	0	2,965	12,435	21,517	47,639
NUMMI	3,200	3,600	3,250	15,143	61,778	64,117
Corolla	600	0	649	3,022	0	13,059
Nova	2,600	3,600	2,601	12,122	61,778	51,058
VOLKSWAGEN	0	2,036	1,580	6,346	30,610	25,927
Golf/GTI	0	2,036	1,330	5,446	30,610	21,477
Jetta	0	0	250	900	0	4,450
Total Cars, U.S.	164,471	164,310	138,895	659,792	2,933,249	2,669,975
Total Cars, Canada	17,876	24,507	17,532	66,491	401,324	286,695
N. American Cars	182,347	188,817	156,427	726,283	3,334,573	2,956,670
N. American Trucks	99,174	92,670	84,397	397,525	1,583,705	1,556,720
North American Cars and Trucks	281,521	281,487	240,824	1,123,808	4,918,278	4,513,390

**—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

PRICES

FROM PAGE 1

they wanted a vehicle that was attractive, contemporary and competitively priced," he said.

Pontiac said dealers have ordered 52,000 LeMans models. Pontiac hopes to sell at least 85,000 during the 1988 model year. The first shipment is enroute.

The entry level LeMans coupe, priced at $5,995, fits into the slot left vacant when production of the U.S.-built Pontiac 1000 ended last December. The 1000 had a base price of $5,959.

Pontiac has said all along that the LeMans would not be priced as low as the Hyundai Excel because the LeMans is a more upscale car.

Two-door sedans or hatchbacks priced lower than the LeMans include the Hyundai Excel, $5,195; Mitsubishi Precis, $5,195; Subaru Justy, $5,495; Volkswagen Fox, $5,690; Ford Festiva, $5,765; Toyota Tercel, $5,848; Honda Civic, $5,849; and Dodge Colt, $5,949. The Chevrolet Sprint carries the same $5,995 base price as the LeMans.

Priced slightly higher than the LeMans are the Mazda 323, $6,099; Nissan Sentra, $6,299; and Ford Escort, $6,586.

The LeMans Aerocoupe is an uplevel version of the base model with a few more standard features including an AM/FM radio and a five-speed manual transmission.

Priced at $7,325, the LeMans Aerocoupe is among the lowest-priced of the models that Pontiac considers to be in its class. Priced lower than the LeMans Aerocoupe are the Ford Festiva LX, $6,868; Ford Escort GL, $6,949; and Renault Alliance L, $6,925. Priced higher are the Honda Civic DX, $7,599; Mazda 323 DX, $7,799; and Mercury Tracer, $7,926.

The LeMans four-door sedan has the same equipment as the Aerocoupe and is priced in the middle of its competitors' range with a base sticker of $7,925. Priced lower are the Omni America and Horizon America, with a base price of $5,799; Volkswagen Fox, $6,490; Hyundai Excel GL, $6,545; Ford Escort GL, $7,163; and Dodge Colt DL, $7,591. Higher price tags are on the Nissan Sentra E, $8,249; Mazda 323 DX, $8,299; and Honda Civic, $8,580.

The top-of-the-line LeMans SE sedan has a base price of $8,399. Its additional standard equipment includes tilt steering wheel, a European-style seat with a height adjuster and split folding rear seats.

Priced below the LeMans SE are the Hyundai Excel GLS, $7,245; Toyota Tercel Deluxe, $8,138; and Mercury Tracer GS, $8,364. Priced above the LeMans SE are the Volkswagen Golf, $8,400; Dodge Colt Premier, $8,522; Honda Civic, $8,580; Mazda 323 LX, $8,899; and Nissan Sentra XE, $9,049.

Meanwhile, Chrysler will launch a print ad campaign this week that compares prices of its small cars to prices of Japanese cars.

At his quarterly press conference last week, Chairman Lee Iacocca unveiled a chart comparing prices of six "typically equipped" Chrysler vehicles with Japanese competitors in the same segment. Japanese car prices have risen about 20 percent as the yen has appreciated.

The chart, for instance, listed the "typically equipped" Plymouth Horizon/Dodge Omni subcompacts as selling for $7,917, compared to $10,821 for a typically equipped Honda Civic sedan, and the sporty Dodge Daytona at $11,038 compared to $14,348 for a Toyota Celica GT.

Advertising Age Detroit Bureau Chief Raymond Serafin contributed to this report.

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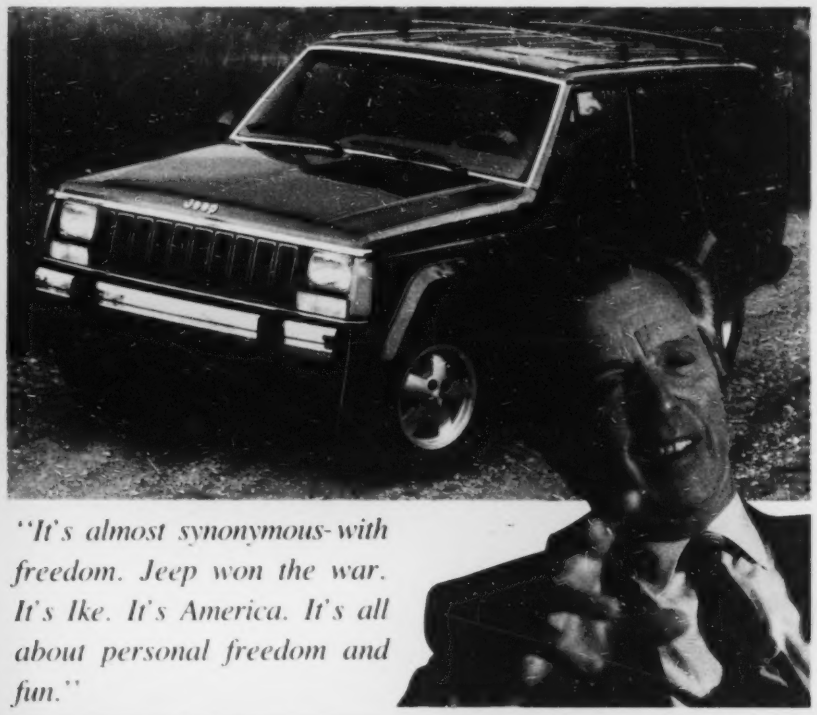

"It's almost synonymous with freedom. Jeep won the war. It's Ike. It's America. It's all about personal freedom and fun."

JEEP: *Chrysler dealers have no priority; Sperlich expects sport-utility boom*

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Expanding distribution of Jeep products to its entire dealer network will not be a priority for Chrysler Motors despite its intent to exploit the burgeoning sport-utility market.

Chrysler Motors President Harold K. Sperlich said in an interview that the pending acquisition of American Motors will allow Chrysler to gain a premier position in a utility-vehicle market that is poised "to explode."

However, when asked if distributing AMC's Jeep products throughout the Chrysler Motors dealer network would be a priority if the AMC takeover is completed, Sperlich said it would not.

"We may do some cross-franchising among the franchised dealer groups over time," Sperlich said. "But you have got to remember why you called the party. The fundamental reason for our interest in AMC was one word — Jeep. You nurture an asset like that.

"There are only two words in any language that don't need translation — Coke and Jeep. It's the most significant automotive brand in the world. They know it everywhere. It's a massive property, properly exploited. Coke doesn't give out its formula. If Chrysler acquires AMC, Chrysler is going to nurture that tremendous asset. That's the most important thing.

"It's a tremendous brand," Sperlich continued. "It's awesome. It's almost synonymous with freedom. I mean, Jeep won the war. It's Ike. It's America. It's all about personal freedom and fun. It's a marvelous, marvelous brand and it has really deep roots.

"The core of the acquisition is aimed at that incredible brand Jeep, its worldwide strength and its position at a crossroads that we think will explode from a market standpoint," Sperlich said.

"We're going to be anxious to exploit the potential of the acquisition, but we don't want to undermine the purpose of the acquisition.

"Our goal is to nurture it and exploit it. Nurturing and exploiting can be in conflict with each other. We have to do this carefully. We'll be tested to see if we do it right. History will write that."

Chrysler and French automaker Renault announced on March 9 Chrysler's intent to

see JEEP, page 77

Dealers rap Buick ads

Agency on the spot; factory execs shifted

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Under intense, sustained pressure from its dealers, Buick Motor Division has restructured its advertising, marketing and strategic planning operations and has sent ad agency McCann-Erickson back to the drawing board in a "no-holds-barred" effort to overhaul Buick's ad campaign.

The restructuring, scheduled to be announced today (May 11), creates a new marketing department and integrates Buick's engineering and strategic planning departments.

Buick dealers have been particularly critical of this year's campaign, which features new print advertising, a new themeline and a new spokesman — actor Hal Holbrook.

The situation came to a head at the dealer council's April meeting in Phoenix, Ariz., after a year of pressure.

In the restructuring, Darwin E. Clark has been named to the new position of general marketing manager and will report directly to Buick General Manager Edward H. Mertz. Clark had been assistant general sales manager — administrative.

David S. Sharpe gets the new title of general engineering and planning manager as head of the newly merged engineering and planning departments. Sharpe's title had been chief engineer.

Jack W. Qualman Jr., who was strategic planning director, was named to the new position of general director of advertising, replacing Harold E. Savage who is retiring from General Motors to become the full-time Detroit representative of the Magazine Publishers Association.

Timothy A. Logsdon, who had been manager of product planning

see BUICK, page 76

Incentive craze forces props for new models

By Mary Connelly, Michelle Krebs and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors, Chrysler Motors and American Motors are using incentives to bolster the spring launches of three pivotal new models.

In the past, such props would have been a sign that the cars were doomed to fail. But it now appears that makers must offer special deals to avoid having their all-new cars wash out in today's sea of incentives.

"In the past, we would not have wanted to put incentives on a new model because it would be like distress merchandising," said Chrysler General Marketing Manager A.C. "Bud" Liebler. "But now it's the normal course of doing business. The customer expects it."

Chrysler's 1987 LeBaron Coupe is one of the three brand-new models to be hyped with incentives; Chevrolet's 1988 Corsica/Beretta and Renault's 1988 Medallion are the others.

Thomas Mason, marketing manager for Chevrolet cars, said the auto industry is the only industry that doesn't offer special introductory prices for its new products. Airlines, he noted, offer special low rates when they enter a new market. Today's environment may force automakers to resort to similar tactics when introducing new models.

The launches are make-or-break-it cars in many ways:

- Chevrolet has called Corsica and Beretta the most important cars since the 1955 Chevrolet, and the two are hoped to eventually top 500,000 sales annually. For GM, the cars symbolize the new GM: They are the first major products since the corporation's reorganization began in January 1984.

But sales of Corsica and Beretta have been slower than the division had hoped, and a $500 cash rebate or low financing is being offered only two months after introduction.

- At Chrysler, the LeBaron Coupe is designed to carve a niche in an upscale, luxury market. Chrysler-Plymouth dealers have cited the proliferation of LeBaron models in the market and said they hope the upcoming arrival of the LeBaron convertible in showrooms will boost awareness of the coupe as an all-new product.

Chrysler last week announced an incentive program that in-

see NEW MODELS, page 73

AUTOMOTIVE NEWS JOE WILSEMS

Chevrolet dealers say the promotion involving the giveaway of 750 Corsicas, Berettas and full-sized pickups has drawn traffic to showrooms

Key figure casts doubt on pact for Romanian car, dealer status

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

The key middleman in Roman Motors' negotiations to market Romanian-built vehicles in the United States said the contract thought to provide those import rights now appears "in doubt."

Statements made by Joseph Constantine Dragan, president of Marimex SA, would appear to confirm allegations that Roman Motors Corp. was not authorized

lions — from the 70 U.S. dealers it signed to sell the Dacia, Oltit and Aro models. In the last month two other U.S. firms have been granted U.S. import rights for the Dacia and Aro.

In a telephone interview, Dragan said an agreement signed in Paris on Nov. 20, 1985, between his company and the export manager of Auto Dacia, Milton Garcea, was not approved by the higher management of Auto Dacia.

see PACT, page 76

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Chevrolet plans Corsica hatchback — Page 2
Audi rebate working; sales gain in April — Page 3
Incentives, cutbacks trim dealer stocks — Page 41

Presidents honored
The Engineering Society of Detroit Development Fund honored General Motors President F. James McDonald, right; Ford Motor Co. President Harold A. Poling, center, and Chrysler Motors President Harold K. Sperlich at the society's Leadership Awards Dinner last week. The leadership awards recognize outstanding individuals of leading companies who promote the advancement of industry, science and engineering in Michigan.

GLENN TRIEST

Domestic trucks get price labels

Ford dealer council opposes move; Chevy expanding program

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Domestic truck manufacturers have begun shipping pickup trucks with Monroney price labels. They plan to expand the practice to more models despite protests from some dealer groups.

Chevrolet began attaching price stickers to its full-sized 1988-model C/K pickups in late April and plans to price-label other trucks, such as the S-10 pickup, Chevy Van, Astro Cargo van and carryover R/V full-sized pickups, within the next four to six weeks, according to John Kelly, Chevrolet marketing manager — trucks.

All Chevrolet trucks except chopped vans and chassis cabs will carry the labels, Kelly added.

Ford began putting price stickers on its 1987 Rangers, largely against the recommendation of its National Dealer Council.

Ford currently has no plans to put them on its full-sized F-series trucks, according to a spokesman.

The labels do not appear on most Econoline cargo vans and other commercial vehicles.

Chrysler Motors isn't putting price labels on any of its domestic or captive import pickups or cargo vans.

However, Jerome B. York, Chrysler Motors vice president — Truck Operations, said, "We are studying it. We believe serious consideration should be given to it from a customer standpoint."

American Motors began putting Monroney labels on its Jeep Comanche and J10/J20 pickups last fall and now has them on all its trucks.

The labels have been a controversial issue and have been strongly resisted by some dealers.

Ford's dealer council recommended that, as a compromise to window-label prices, "each Ranger be delivered with an unpriced label affixed to the window and the priced window label (be) mailed with the dealer invoice."

Giving dealers two labels would allow those who wanted to use a price sticker to do so. Those who didn't would still be able to list equipment and features on the window, without prices.

Some General Motors and Ford dealers have scraped the labels off trucks where they weren't legally required.

Noting that practice, Ford's dealer council said it considered it "extremely important" to give dealers an optional label because those who removed the price label "cannot retain that (package equipment and feature) information."

It told Ford to either adopt its compromise or drop the price-labeling idea.

Ford replied that Monroney stickers on Rangers served various purposes, such as making them more competitive with price-labeled import pickups, satisfying consumers who frequently come from of the car market where they're used to seeing such price labels.

Ford told dealers it was "continuing to monitor" the situation; that, to date, Ranger grosses and market share have increased; and that it currently had "no plans" to remove the Ranger price labels.

Federal law requires only that trucks sold as passenger vehicles, such as sport-utility models and passenger vans, carry Monroney labels. Passenger cars have been required to carry price labels since the beginning of the 1959 model year.

The labels are not required on pickups, which were traditionally regarded as commercial vehicles, except in four states that have specific laws requiring them.

The states are Minnesota, Iowa, Nevada and New Hampshire.

Chevrolet's Kelly said the division's full-scale price-labeling efforts were designed as both a sales aid to dealership personnel and as an aid to consumers in ascertaining prices more easily.

Dean Greb, director of field sales operations for American Motors, said the price labels have proved to be a very effective marketing tool to communicate special discounts and special option groups to consumers.

He added that AMC is currently looking at ways to redesign the labels and rewrite the information to "make them even more useful to the consumer and improve the communication level of option groups and discounts."

Many dealers, of course, don't have any problem with the price labels and feel they add credibility.

Chrysler and Ford extend incentives

By Laura Clark
AUTOMOTIVE STAFF REPORTER

Chrysler Motors and Ford Motor Co. have followed General Motors and American Motors in extending cash rebate and low-interest finance programs on many of their cars and light-duty trucks.

A Ford spokesman said the company is expected to announce today (May 11) that it is extending its previous incentive program through June 8. The new round will add car and truck models to the previous program and will sweeten rebates, the spokesman said.

The specific models and rebate amounts in the new incentive plan were not disclosed. No dealer financial participation will be required.

All Ford and Lincoln-Mercury incentives, with the exception of those on Bronco II and Ranger models, were to end May 9. The cutoff date for Bronco II and Ranger models was May 31.

Ford had been offering a choice of financing rates of 3.9 percent to 9.9 percent or cash rebates of $400 to $600 on selected small and intermediate-sized cars, F-series trucks and sport-utility models.

The Chrysler incentive program is similar to the one that was to end May 5. The new program began May 6 and has no expiration date.

Chrysler is offering rebates of $1,000 on Dodge Ramcharger sport-utility vehicles; $750 on Chrysler New Yorker; $500 on Plymouth Reliant, Dodge Aries, Chrysler LeBaron coupe, Dodge Daytona, Chrysler LeBaron sedan and Town & Country wagon, Plymouth Sundance, Dodge Shadow, Dodge Ram Wagon, Dodge Ram pickup, Dakota pickup and Dodge Raider; and $300 on Plymouth Colt and Dodge Colt.

Dakota S-model pickup trucks and Colt Vista models are not included in the program.

Buyers can choose the cash rebate or finance rates of 3.7 percent on 24-month contracts, 5.9 percent for 36 months, 6.9 for 48 months and 9.9 percent for 60 months.

No dealer financial participation is required. Consumers must purchase vehicles from dealer stock and take delivery before the program ends.

Chrysler Motors President Harold K. Sperlich said he anticipates the continuing use of incentives to boost sales in 1987.

"I think you're going to see incentives off and on throughout much of the year because there is less demand than there is supply," Sperlich said.

"Everybody is fighting like dogs for their turf. The result is pressure on prices and you see that in the form of incentives," he added.

Chrysler Credit Corp. announced last week that is offering pre-approved credit to 400,000 Chrysler owners through May 31. The customers contacted are presently financing vehicles through Chrysler Credit with loans of 24 months or more and have made 18 or more payments on the loan.

The credit company sent out letters detailing the program and notifying customers of their pre-approved credit limit.

Chrysler plans to offer the pre-approved credit program at the start of each new product launch to prompt present owners to buy new Chrysler products, said Gary Howe, marketing vice president.

This is the second year Chrysler Credit has offered the program. Last year, 2,400 of the 210,000 persons contacted purchased new vehicles.

Audi's $5,000 rebate doing job; dealers report sales gain in April

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Audi of America's $5,000 rebate to Audi 5000 owners has paid off off with a dramatic sales improvement in April, the first month of the program.

The rebate was the first of a series of steps Audi plans to use in its attempt to recover from the damaging publicity surrounding reports of runaway acceleration in Audi 5000s with automatic transmissions. By company and dealer accounts, the program is working better than expected.

"It's been a winner in more ways than one," said Gene Young, president of Northland Audi in Cincinnati. "The confidence that people have in Audi has been reassuring to the dealers."

Audi sold 4,901 cars in April, the highest monthly total since last October. April's figure was nearly twice as high as this year's previous peak, 2,489 in March. Even with last month's boost, though, sales through the first four months of 1987 were about half those of the same 1986 period. The sudden-acceleration issue gained widespread attention in March 1986.

Under the program, called the Audi Private Purchase Plan, the 140,000 owners and lessees of 1984-86-model Audi 5000-S cars are being given the $5,000 rebate when they buy a 1987 model.

Dealers interviewed by Automotive News said that most of their April sales came from current owners. One said that 80 percent of his sales went to coupon holders; another said that 20 of his 22 sales were made under the program.

Most of the 1987 cars chosen have been equipped with automatic transmissions, dealers said. Audi's 1987 models have a shift-lock device that requires drivers to put their foot on the brake before shifting into gear.

The program ends June 30. Audi has given dealers a list of current owners, and dealers have been inviting them into the showrooms.

One dealer expressed concern that sales might sag once the rebate expires, but Audi has stressed that the recovery will take time.

In another step, the company is offering factory-to-dealer cash incentives on 1987 Audi 4000 models through the summer. According to one dealer, the amount ranges from $500 to $1,500, depending on the number of 4000s the dealer sells.

A new version of that car, to be called the Audi 80 and 90, makes its debut this fall.

"Our approach is that it's very much of a building process," said an Audi of America spokesman. "We are not going to recapture all of the lost ground in one giant step."

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61st year—No. 5180

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OBITUARIES

Pete Wemhoff, 76; was Automotive News editor

ORMOND BEACH, Fla.— Pete Wemhoff, retired editor and publisher of Automotive News, died May 7. He was 76 and had lived here since retiring in 1971.

Keith E. Crain, Automotive News publisher and editorial director, said last week, "Pete Wemhoff made a great contribution to Automotive News. We and the entire auto industry owe him a huge debt."

Mr. Wemhoff's given name was Bernard, but he never used it. His byline read "By Pete Wemhoff."

He was a copy editor for the Detroit Free Press before joining Automotive News in 1936. He arrived just in time to cover the sitdown strikes in the auto industry.

Mr. Wemhoff became editor of Autmotive News in 1943 and served in that position until 1965, longer than any other editor in the history of the paper.

Mr. Wemhoff

In 1955, he added the duties of general manager. He became publisher of Automotive News in 1965 and retired at the end of 1971.

Mr. Wemhoff is survived by his wife, Ann; four sons, a daughter and eight grandchildren.

Mark R. Chenowith

SYKESVILLE, Md. — Mark R. Chenowith, 87, retired president of Jarman Motors Pontiac-GMC, died here April 23. In 1955 he was president of the Automobile Trade Association of Maryland.

Scorpio trade price guaranteed for L-M dealers

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Scorpio, Ford Motor Co.'s entry in the luxury sedan market, will be offered with a guaranteed trade-in price and a variety of customer-service programs in an effort to establish the car among the prestigious competitors in its class.

The trade-in guarantee has some caveats, however. The deal will apply only to 1988 models traded for other Lincoln-Mercury or Merkur products. The trade-in also must be made between 24 and 48 months after the original purchase.

Scorpio, a Ford of Europe import, is the second car for the 737-dealer Merkur franchise. The first, the XR4Ti coupe, has never lived up to initial sales projections.

L-M is issuing a modest sales forecast for Scorpio: 5,000 to 7,000 through the end of this year and twice those numbers in 1988.

Division officials expect the $26,405 (fully equipped) Scorpio to broaden the Merkur line while adding some zest to the two-year-old franchise. Scorpio's official introduction date is May 21. The base sticker is $23,248.

The fact that Scorpio will have plenty of competition will help boost the car's prospects, L-M General Manager Thomas J. Wagner said in an interview.

Whereas the XR4Ti, now $17,832, had no clearly defined market segment, Wagner said the Scorpio is entering a well-established niche with some formidable competitors, such as the Saab 9000, Audi 5000, Mercedes-Benz 190, Volvo 700 series and BMW 5 series. The marketing campaign will aim at putting the Scorpio name in those ranks.

Scorpio's Guaranteed Resale Value program promises a trade-in value equal to that of the Mercedes-Benz 190 as a percentage of the original retail price. In L-M's eyes, that is the car that customers believe is the best in the segment.

When a Scorpio owner trades in a car, L-M will compare the average resale value of that product to the average resale value of the Mercedes 190, using monthly figures from the National Automobile Dealers Association's used-car guide. If the average Scorpio's resale value is rated at 45 percent of the original purchase price and the average Mercedes 190 is rated at 50 percent, for example, the Scorpio owner would get a check equal to 5 percent of the car's retail cost.

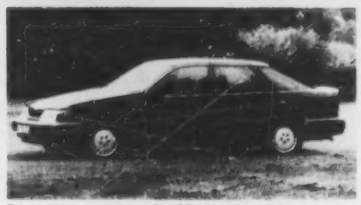
If the percentages are the same or the Scorpio's resale percentage is greater, no payment would be made.

The guarantee is figured only by comparing a Scorpio's book value to the Mercedes 190's book value. A Scorpio owner and dealer would separately negotiate a trade-in price that reflects the condition of the car.

L-M believes it is the first national program of its kind on any car. The division ran a pilot test on Lincoln models in California in 1982.

According to Wagner, the program is tailored for Scorpio's upscale buyers, who might stay away from a new car until its resale value is established.

"We're not willing to wait a couple of years," Wagner said. "We decided that we have great confidence in the car, and we'll short-circuit this whole thought process by doing the resale thing."



Scorpio: second car for Merkur franchise

Other L-M efforts will echo those offered by some of Scorpio's competitors. Scorpio owners can get a free loaner car when they bring their cars in for service.

In addition, Scorpio owners who need emergency road service will be reimbursed for towing, lodging and other expenses. And L-M offers free delivery from Europe for customers who pick up their new cars there.

The Guaranteed Resale Value program will be used in the Scorpio advertising campaign, which L-M has said will take 20 percent of the division's ad budget for 1987. According to figures from Advertising Age, the Scorpio outlay is about $25 million.

Seventy percent of it will spent on print advertising, where L-M feels it can target its audience more directly. Eight-page inserts will be included in Time, Newsweek and other publications this month.

The remainder of the ad budget will be spent on television in an attempt to establish the Scorpio name and the fact that it's a new entry in the European luxury sedan field.

One effect of the Scorpio launch, Wagner said, will be to reaffirm Merkur as a car line rather than just a car. Up until now, the only Merkur has been the XR4Ti.

The XR4Ti has never met sales expectations. L-M had predicted 20,000 XR4Ti sales in its first year, but sold only 8,974 in 1985 and 14,315 last year. Through April of this year, 2,656 had been sold, compared with 4,836 last year.

"It's been a loser for us," said a Merkur franchise holder. And a recent survey by J.D. Power & Associates revealed that only 3 percent of all dealers and 6 percent of Merkur dealers rated the Merkur franchise as an excellent financial investment.

From the start, L-M has said it will apply lessons from the XR4Ti launch to Scorpio.

"We've learned that you've got to build a car for the American market, and not what you think is the European market," Wagner said. "We built the XR4Ti in seven shades of gray and silver, almost all cloth and standard transmissions. Well, it turns out that the American market wants almost all automatics, a lot of colors and leather."

The Scorpio will be available in 11 colors, and leather upholstery will be an option. And 85 percent will have automatic transmissions.

Wagner also believes L-M was not restrictive enough in accepting Merkur dealer applications. And it is pushing dealers to have one or two salespeople who specialize in Scorpio sales.

Ford hopes to sell 35,000 Festivas by the end of 1987

Ford pegs Festiva at $5,765, staggers dealer introductions

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. has jumped into the under-$6,000 car market with last week's launch of the Festiva, a new import from South Korea.

Ford has put a $5,765 price tag on the base model, slightly above two other young entries in the market, the Subaru Justy and the Volkswagen Fox. But it comes in slightly lower than the new Pontiac LeMans. A top-of-the-line Festiva LX version starts at $6,868.

The company hopes to sell 35,000 through the end of 1987 and expects to boost sales to 50,000 the following year. Kia Motors Corp., the assembler, has capacity to make 85,000 Festivas annually for the U.S. market.

To keep dealers stocked, Ford is staggering Festiva's introduction. The car officially went on sale last week in Oregon, Hawaii, Nevada, Alaska, Washington and California. It will debut in the Northeast next month, the Southeast in July and the rest of the country by fall.

Ford is billing Festiva as a companion to Ford Escort, but the newcomer could compete directly with the popular subcompact in some price ranges. One California dealer said that with the $600 rebate currently in effect on the Escort Pony, that car can be bought for slightly less than Festiva.

Ford hopes that Festiva will draw attention from shoppers considering other products in the "B-class" small-car market, a field that Ford expects to account for 40 percent of all small-car sales by 1990.

Another South Korean product, the Hyundai, has scored considerable success since its launch last year, selling more than 168,000 units in its first 10 months.

Ford's advertising campaign will target young, educated, first-time buyers. Thirty-second television spots are running on the West Coast.

Festiva, developed by Ford of Japan with Mazda Motor Corp., has been sold in Japan for two years. More than half of the componentry is shipped by Mazda to Kia for assembly in South Korea. Ford owns 25 percent of Mazda and 10 percent of Kia; Mazda owns 8 percent of Kia.

Festiva carries few options, just air conditioning, rear wiper/washer and a cassette tape player. Automatic transmission will be available on the 1989 model.

Ford believes the base model carries enough standard equipment to capture half of all Festiva sales. A fully loaded LX version sells for about $7,800. No options will be installed by the dealer.

Incentives, cutbacks trim dealer stocks

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Inventories of unsold United States-built automobiles shrank a bit in April.

The decrease in stocks came on a wave of production cutbacks and widespread sales incentives consisting principally of cut-rate financing and cash rebates.

On May 1, the number of cars on dealers' lots and en route to dealerships was 1,912,132, the equivalent of a 72-day supply.

It was the highest May 1 figure since 1979 when stocks totaled 1,913,597 units. On April 1 of this year, the count was 1,945,438 cars, a 74-day supply.

It is generally accepted that a 60-day supply of domestic cars is optimal.

By company, May 1 inventories were divided this way: General Motors, 55.86 percent; Ford Motor Co., 25.98 percent; Chrysler Motors, 13.53 percent; Nissan, 1.48 percent; Volkswagen 1.20 percent; American Motors, 0.95; Honda, 0.48, and Toyota 0.52.

By size class, domestic new-car inventories consisted of 38.82 percent intermediates, 19.23 percent compacts, 18.67 percent subcompacts, 12.96 percent standards and 10.32 percent luxury models.

General Motors managed to reduce its May 1 inventory of unsold cars to a 76-day supply from an 85-day supply a month before. Ford Motor's stockpile climbed a bit to a 68-day supply from 64 days.

Chrysler's stocks grew to a 79-day supply from 72 days at the beginning of April, while Nissan's dipped to 60 days from 68 days. Volkswagen's supply eased to 114 days from 124 days.

AMC's inventory was the equivalent of a 166-day supply on May 1. That was down from a 172-day supply a month earlier.

Honda's position was in sharp contrast to that of the other companies. Honda had a skimpy 9-day supply compared with 8 days a month earlier. Toyota's May 1 inventory of unsold passenger units made in this country dipped to 65-day supply from 68 days on April 1.

DOMESTIC DAYS' SUPPLIES

	May 1, 1987	April 1, 1987	May 1, 1986
Alliance	171	182	134
Encore	0	0	303
Total Renault	171	182	167
Eagle	131	117	153
Total AMC	131	117	153
AMERICAN MTRS.	166	172	166
Horizon	55	76	55
Sundance	95	94	0
Turismo	95	69	91
Reliant	52	48	66
Caravelle	80	70	75
Plymouth	83	102	53
Total Plymouth	70	68	67
Laser	83	62	133
LeBaron K	94	84	74
LeBaron J	105	99	0
LeBaron GTS	101	75	85
Fifth Avenue	93	65	89
New Yorker	95	96	89
Total Chrysler	97	83	88
Omni	51	71	58
Shadow	132	77	0
Charger	42	59	93
Daytona	104	80	92
Aries	54	48	82
Lancer	127	85	95
Diplomat	86	111	45
Dodge 600	90	77	88
Total Dodge	75	67	79
CHRYSLER MTRS.	79	72	79
Escort	69	62	55
Mustang	46	27	56
Tempo	73	71	57
Taurus	89	75	44
Thunderbird	71	61	92
LTD	0	0	59
Crown Victoria	49	61	57
Total Ford Division	66	61	58
Lynx	105	89	63
Topaz	74	69	71
Sable	99	87	40
Cougar	87	85	72
Capri	0	0	127
Marquis	0	0	66
Grand Marquis	59	55	55
Total Mercury	83	76	60
Continental	68	55	70
Lincoln	50	53	58
Mark VII	50	61	65
Total Lincoln	52	54	60
Total L-M Division	75	70	60
FORD MOTOR CO.	68	64	58
Skyhawk	143	179	102
Somerset Regal	102	120	89
Century	85	95	87
Regal	74	89	107
LeSabre	75	92	58
Electra	105	119	76
Riviera	64	69	124
Total Buick	90	105	85
Cimarron	114	179	83
Allante	67	43	0
Seville	73	67	81
Cadillac	89	114	53
Eldorado	78	112	81
Total Cadillac	89	112	59
Chevette	48	53	71
Nova	77	132	109
Cavalier	64	55	71
Citation	0	0	68
Camaro	54	60	79
Celebrity	44	58	70
Corsica/Beretta	119	148	0
Monte Carlo	133	146	88
Chevrolet	91	94	87
Corvette	91	101	71
Total Chevrolet	71	78	79
Firenza	153	185	122
Calais	57	59	79
Cutlass Ciera	66	70	67
Cutlass Supreme	73	74	83
Olds 88	77	85	94
Olds 98	106	147	42
Toronado	55	97	73
Total Oldsmobile	74	81	75
Fiero	76	117	106
1000	50	68	86
Sunbird	81	88	82
Firebird	58	80	61
Grand Am	46	49	24
6000	91	95	84
Bonn. Gr. Prix	101	132	106
Grand Prix	0	0	118
Parisienne/Bonn.	99	97	49
Total Pontiac	72	81	65
GENERAL MTRS.	76	85	75
VOLKSWAGEN*	114	124	78
HONDA	9	8	9
NISSAN	60	68	9
TOYOTA*	65	68	0
DOM. TOTAL	72	74	70
Subcompact	64	67	68
Compact	68	63	72
Intermediate	75	79	72
Luxury	91	93	64
Standard	76	82	69

*Automotive News estimate.

Ford Canada reports huge profit gain for quarter

OAKVILLE, Ontario — Ford Motor Co. of Canada rebounded in the first quarter after dismal financial results in the same period a year ago.

Ford of Canada earned $73 million, or $8.79 a share, in the first quarter, compared with $6 million, or 76 cents a share, in the year-ago first quarter.

Ford of Canada had sales of $3.6 billion in the first quarter, up from $3.5 billion in the first quarter of 1986.

Kenneth W. Harrigan, Ford of Canada president, said the improvement was the result of the strengthening of the Canadian dollar, an improved cost structure and increased production at the Windsor casting plant.

In the year-ago period, Ford of Canada's results were adversely affected by the weak Canadian dollar, overseas losses, high marketing costs associated with the launch of the Taurus/Sable and sales incentives and the shutdown of the Essex engine plant for model changeover.

Net income from Canadian operations amounted to $73 million in the first quarter, compared with $11 million in the year-ago period. Ford of Canada broke even on its overseas operations in the first quarter, improving its position slightly from a year ago. Ford of Canada's overseas sales were $441 million.

Harrigan said Ford's share of the Canadian car market in the first quarter was 19 percent — the highest since 1979. That compares with 17.2 percent in the same period of 1986. Ford of Canada's truck sales took 30.9 percent of the market, up from 30.1 percent in the first quarter of 1986.

The Canadian industry's best-selling car in the first quarter was the Ford Tempo, built in Oakville, with sales of 10,891. The new F-series pickup truck, also produced in Oakville, was the industry's best-selling truck. F-series pickup sales totaled 13,402.

CANADIAN SALES

	April 1987	April 1986	Pct. Change	4 mos. 1987	4 mos. 1986	Pct. Change
AMC						
Cars	374	875	−55.79	1,617	3,157	−48.78
Jeeps	2,000	1,178	+69.78	6,451	4,418	+46.02
CHRYSLER						
Cars	17,999	16,263	+10.67	50,252	53,360	− 5.82
Trucks	8,081	5,815	+38.97	23,000	19,884	+15.67
GM						
Cars	40,953	47,093	−13.04	120,098	137,595	−12.72
Trucks	16,227	15,386	+ 5.47	51,418	49,973	+ 2.89
FORD						
Cars	23,131	22,115	+ 4.59	67,120	64,617	+ 3.87
Trucks	15,283	13,582	+12.52	45,636	41,746	+ 9.32
VOLVO						
Cars	250	313	−20.13	754	895	−15.75
HONDA	986	—	—	1,646	—	—
TOTAL CAR	83,693	86,659	− 3.42	241,484	259,624	− 6.99
TOTAL TRUCK	41,591	35,961	+15.66	126,505	116,021	+ 9.04

Canada truck sales set record; April car deliveries decline 3%

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford, Chrysler and American Motors posted all-time record truck sales in Canada last month while General Motors broke its previous April truck sales record.

Meanwhile, domestic new-car sales dipped 3.42 percent from the year-ago month. Canadian dealers delivered 83,693 North American-built cars in April, compared with 86,659 in April 1986.

Truck sales totaled 41,591 in April, up 15.66 percent over 35,961 a year earlier. Ford, Chrysler and AMC said last month's truck sales in Canada were the highest for any month in their history. General Motors set an April truck sales record.

AMC's Jeep sales rose 69.78 percent to 2,000 from 1,178 a year ago. Chrysler truck sales totaled 8,081, a 38.97 percent gain over 5,815 last year. Ford sold 15,283 trucks, a 12.52 percent rise from 13,582 in April 1986. GM posted a 5.47 percent increase, selling 16,227 trucks last month compared with 15,386 a year ago.

General Motors, Ford and Chrysler continued to offer incentives on selected cars and light-duty trucks to woo spring buyers.

Chrysler posted the largest percentage gain in car sales last month. It sold 17,999 North American-built cars, 10.67 percent more than the 16,263 sold in April 1986.

Ford reported a 4.59 percent increase in sales of its North American-built cars. It sold 23,131 last month compared with 22,115 in April 1986. Sales of GM's North American cars dropped 13.04 percent to 40,953 units from 47,093 a year earlier.

Sales of AMC cars dropped to 24 units last month from 29 in April 1986. Deliveries of North American-built Renault cars fell to 350 from 846 in the year-ago month.

Volvo sold 250 Canadian-built cars in April, down from 313 a year ago. Honda sold 986 Canadian-built autos; it was not building cars in Canada last year.

In addition to North American cars, GM sold 86 Suzuki-built Chevrolet Sprints, 705 Suzuki-built Pontiac Fireflys, 56 Isuzu-built Chevrolet Spectrums and 39 Isuzu-built Pontiac Sunbursts. Ford sold 960 Tracer and 35 Merkur XR4Ti models. Chrysler sold 1,059 Mitsubishi cars and 17 Peugeot cars.

AMC sold 423 imported Renault vehicles in April; Volvo sold 663 Swedish-built Volvo cars; and Honda sold 7,236 Japanese-built cars.

MARKET SHARES
April 1987

Cars

General Motors	48.93%
Ford Motor Co.	27.64%
Chrysler Motors	21.50%
American Motors	.45%
Volvo	.29%
Honda	1.19%

Trucks

General Motors	39.02%
Ford Motor Co.	36.75%
Chrysler Motors	19.43%
Jeep	4.80%

Cadillac drops proposal to set limo-builder rules

By Scott Miner
AUTOMOTIVE NEWS STAFF REPORTER

Because of fear of legal ramifications, Cadillac has dropped a Master Coachbuilder plan that would have imposed stricter standards on limousine converters. Instead, Cadillac will review other methods to assist what a Cadillac official calls "the good coachbuilders."

Dave John, director of fleet sales, declined to comment further on any efforts being considered until Cadillac approves such measures.

However, he did say that Cadillac could share technical advice or "drop ship" the cars directly to the coachbuilders.

In drop shipping, the manufacturer delivers new cars to the coachbuilder's plant. Builders that produce about 100 cars a year would qualify, John said.

Coachbuilders still purchase the cars through a local dealer, but they can save time and money if the manufacturer ships the cars directly to them.

Sharing technical advice would give the coachbuilders advance notice of model changes or drivetrain changes. The builders would be able to adjust their assembly lines in time for Cadillac's new-car introductions.

The major stumbling block with the Master Coachbuilder program was "how do you determine the haves and the have-nots," said John.

"We want to take care of the good coachbuilders," he said.

He said that helping the coachbuilders "is an ongoing thing. We're always trying to find ways to assist the good coachbuilders."

Coachbuilders, dealers and automakers have all expressed interest in developing some sort of program to control product quality. At present, automakers have no control over what happens to the car once it is sold.

James L. Centner, president of Moloney Coachbuilders, said his company has been talking with Cadillac and Lincoln for about three years about a Master Coachbuilder program.

Moloney is one of the four largest limousine conversion companies. Each of the four produces about 1,000 limousines a year, and they account for an estimated 80 percent of the limos built for sale in the United States.

Centner was in favor of the Master Coachbuilder concept because, "bad quality hurts business." He added that many builders do not have sufficient liability insurance.

Centner said some builders carry only "garage insurance" — insurance that covers only their property and persons on that property.

He said builders should carry the more expensive type of insurance to cover the limousines after they leave the shop.

A Lincoln spokesman said that no formal plan for coachbuilders is in place, but he acknowledged that such a plan is being reviewed.

NHTSA probes Ford Econolines

WASHINGTON — NHTSA has opened an investigation into fuel spurting and possible fires in 1984-86 Ford E-150, E-250 and E-350 Econoline vans.

In opening the engineering analysis, the safety agency granted a petition filed by the Center for Auto Safety last January and, in essence, admitted that the problem with fuel-spurting is not merely one that occurs when the vans are converted into ambulances.

According to the safety center, 324,000 Ford vans are involved, and there have been 72 reports of overpressurized fuel, including 14 fires and 5 injuries on non-ambulance vans.

According to NHTSA, 145,000 Ford vans are involved, and there have been 91 complaints including 21 fires and 10 injuries.

A class-action suit on behalf of all owners of Ford Econoline vans is pending against Ford in U.S. District court in Denver. The issue is alleged danger from fire.

The case was filed by Aspen Limousine Service Inc., which does business as VANS TO VAIL, and Intra-Rockies Limousine Service.

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U.S. foreign-pickup purchase hit

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The U.S. Defense Department has taken delivery of 3,743 Dodge D-50 pickup trucks manufactured by Mitsubishi Motors Corp. as part of a $76.7 million contract with Chrysler Motors for 10,033 vehicles.

The D-50s were purchased for $20.7 million, or $5,530 per vehicle.

The International Brotherhood of Teamsters protested the purchase of the Japanese-made trucks before the House Armed Services Committee late last month. The union claimed the purchase of Japanese-made trucks will cost American workers their jobs.

According to a spokesman for the UAW, Congress appears likely to accept an amendment to its defense authorization bill that would bar large Defense Department purchases of imported cars and light-duty trucks. The UAW-supported amendment, to be offered by Rep. Dennis Hertel, D-Mich., specifies that only American-made "administrative vehicles" can be purchased if the contract is worth more than $50,000.

Surprisingly, Chrysler Corp. said that in principle it does not support the D-50 purchase either.

According to a Chrysler spokesman here, the company has long supported legislation that would require the U.S. government to buy American-made products. The legislation has not been successful, however, and Chrysler's bid was accepted by the government because it was the lowest, he said.

A spokesman for the General Services Administration, the government's purchasing agency, said General Motors, Ford Motor Co. and American Motors also bid on the contract, but their prices were "18 to 42 percent higher" than the Chrysler bid.

Paul Locigno, Teamsters' director of governmental affairs, told the House committee that the purchase illustrates why the union has asked Congress to enact legislation requiring the federal government to purchase only American-made products.

Locigno said that if the 3,000 pickup trucks had been manufactured in the United States, 72 auto workers would be employed for one year in addition to hundreds of employees in the supplier industry.

"You don't have to represent a district in Michigan to realize what a serious problem this procurement policy poses to this country and its workers," he said. "As it stands, the laws on the books allow American taxpayers' dollars to be used to export American jobs. It is a senseless policy."

Chrysler said the government also bought "about 2,000 assorted cars" as part of the contract. Other trucks made up the balance of the purchase, Chrysler said. The contract was approved in April 1986.

SALES

DOMESTIC CAR SALES

	April 21 to April 30, 1987	Same Period, 1986	April 1987	Same Month, 1986	Jan. 1 to April 30, 1987	Same Period, 1986
Alliance	0	0	2,465	3,716	9,044	16,965
Encore	0	0	0	899	0	4,578
Total Renault	0	0	2,465	4,617	9,044	21,543
Eagle	0	0	372	585	1,463	2,820
Total AMC	0	0	372	585	1,463	2,820
AMERICAN MOTORS	1,407	2,002	2,837	5,202	10,507	24,363
Horizon	2,547	3,980	6,313	8,119	26,217	27,727
Sundance	3,054	0	6,444	0	21,948	0
Turismo	500	1,642	2,254	3,926	9,843	14,657
Reliant	4,195	5,010	9,899	10,698	37,635	45,631
Caravelle	1,394	1,796	3,577	3,940	12,605	12,896
Plymouth	304	668	573	1,497	1,815	4,972
Total Plymouth	11,994	13,096	29,060	28,180	110,063	105,883
Laser	132	1,398	487	3,252	2,761	9,588
LeBaron K	2,205	4,377	5,378	9,955	17,995	33,978
LeBaron J	2,787	0	5,631	0	14,135	0
LeBaron GTS	1,081	2,920	3,072	7,427	12,659	23,978
Fifth Avenue	1,084	3,913	3,714	8,785	13,955	28,803
New Yorker	2,346	2,199	6,084	5,171	18,738	17,458
Total Chrysler	9,635	14,807	24,366	34,590	80,243	113,805
Omni	2,016	3,722	5,123	7,387	21,815	25,169
Shadow	547	0	3,887	0	19,431	0
Charger	2,956	1,777	4,898	4,304	13,572	15,607
Daytona	1,142	1,747	2,736	4,080	8,586	12,154
Aries	3,053	3,406	8,546	7,684	34,326	32,073
Lancer	575	2,125	1,927	5,589	9,934	17,689
Diplomat	421	1,505	863	3,326	3,083	9,134
Dodge 600	1,340	2,710	3,248	6,130	12,211	19,218
Total Dodge	12,050	16,992	31,228	38,500	122,958	131,044
CHRYSLER MOTORS	33,679	44,695	84,654	101,270	313,264	350,732
EXP	0	0	0	0	0	0
Escort	13,237	12,994	35,120	33,637	119,681	125,480
Mustang	5,357	6,876	14,470	16,986	64,444	56,338
Tempo	8,264	8,369	22,968	21,559	83,789	87,021
Taurus	13,119	8,335	34,647	19,638	113,182	56,218
Thunderbird	3,694	4,848	11,100	11,358	36,293	48,344
LTD	0	1,322	0	3,553	0	16,672
Crown Victoria	4,794	5,209	13,045	13,205	39,251	43,215
Total Ford Division	48,465	47,953	131,350	119,936	458,640	433,288
Lynx	2,263	1,900	5,762	5,350	19,284	22,505
Topaz	2,328	2,030	6,680	4,956	24,145	21,082
Sable	3,652	4,106	8,845	9,813	31,048	26,921
Cougar	4,254	3,966	10,065	9,510	32,391	38,151
Capri	0	450	0	1,125	0	4,100
Marquis	0	539	0	1,387	2,510	7,242
Grand Marquis	4,352	4,252	10,754	10,867	33,888	36,414
Total Mercury	16,849	17,243	42,106	43,008	143,266	156,415
Continental	498	684	1,221	1,676	4,785	6,356
Lincoln	4,499	4,084	11,399	9,861	36,534	37,523
Mark VII	1,062	797	2,736	1,810	8,216	6,477
Total Lincoln	6,079	5,565	15,356	13,347	49,535	50,356
Total L-M Division	22,928	22,808	57,462	56,355	192,801	206,771
FORD MOTOR CO.	71,393	70,761	188,812	176,291	651,441	640,059
Skyhawk	1,826	2,926	3,894	7,061	11,931	22,105
Skylark	0	0	0	0	0	0
Somerset Regal	3,667	4,155	7,872	8,856	25,163	37,136
Century	7,529	8,607	16,239	20,281	52,202	78,114
Regal	2,402	2,582	5,317	6,170	16,896	27,983
LeSabre	6,474	4,309	13,693	10,421	44,286	28,784
Electra	3,612	4,315	7,143	11,784	24,356	43,040
Riviera	726	538	1,703	1,378	8,719	5,619
Total Buick	26,238	27,432	55,861	65,951	183,553	242,781
Cimarron	566	732	1,448	2,219	4,301	6,836
Allante	89	0	248	0	577	0
Seville	634	612	1,685	1,569	8,726	5,175
Cadillac	8,069	8,002	19,723	20,850	62,903	78,077
Eldorado	692	694	1,798	1,895	6,775	7,136
Total Cadillac	10,050	10,040	24,902	26,533	83,285	97,224
Chevette	668	2,346	1,891	7,015	13,799	26,485
Nova	7,282	4,518	15,362	11,297	37,273	45,979
Cavalier	12,608	12,351	30,187	30,345	125,397	130,424
Citation	0	67	0	174	0	773
Camaro	6,036	7,436	13,710	18,927	46,307	56,273
Celebrity	15,510	14,526	38,541	36,620	124,183	135,850
Corsica/Beretta	6,073	0	13,533	0	26,112	0
Monte Carlo	2,469	3,974	5,900	10,614	19,506	34,396
Chevrolet	6,779	8,628	17,255	21,895	58,102	75,964
Corvette	1,066	1,401	2,555	3,901	8,223	11,246
Total Chevrolet	58,491	55,247	138,934	140,788	458,902	517,390
Firenza	738	1,447	1,613	3,608	5,411	11,946
Calais	5,150	4,543	10,413	11,593	35,712	38,773
Cutlass Ciera	12,048	11,690	25,335	27,871	87,919	110,312
Cutlass Supreme	5,559	7,117	11,261	16,917	39,917	74,349
Olds 88	9,098	9,667	18,067	22,645	58,794	63,834
Olds 98	3,864	4,003	7,067	10,764	21,784	49,549
Toronado	1,123	498	2,037	1,394	5,938	4,855
Total Oldsmobile	37,580	38,965	75,793	94,792	255,475	353,618
Fiero	2,686	3,013	6,000	6,963	17,385	23,094
1000	352	673	774	1,862	3,489	7,235
Sunbird	4,016	3,953	9,163	8,759	30,952	34,927
Firebird	4,098	4,353	9,167	10,141	25,955	31,535
Grand Am	9,117	9,659	21,085	21,699	71,776	68,396
6000	5,168	6,631	12,408	15,290	43,722	56,896
Bonn./Grand Prix	795	1,696	1,922	3,788	6,912	15,397
Grand Prix	0	1,679	0	3,655	0	15,066
Parisienne/Bonn.	4,685	4,860	10,538	10,846	34,611	31,328
Total Pontiac	30,917	36,517	71,057	83,003	234,802	283,874
GENERAL MOTORS	163,276	168,201	366,547	411,067	1,216,017	1,494,887
VOLKSWAGEN	2,931	3,178	5,198	6,729	16,149	25,121
HONDA	16,285	8,325	27,566	15,003	103,791	58,078
NISSAN	6,365	1,125	12,250	4,001	36,149	24,210
TOYOTA	2,187	0	3,939	0	11,233	0
DOMESTIC TOTAL	297,523	298,487	691,803	719,563	2,358,551	2,617,450
IMPORT TOTAL			242,394	252,339	906,442	956,204
INDUSTRY TOTAL			934,197	971,902	3,264,993	3,573,654

April's car market slips 3.8%

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of new cars built in the United States continued a lackluster performance through the final 10 days of April and were below those of a year earlier for the entire month.

Deliveries in the 10 days totaled 297,523 units, off 0.32 percent from the 298,487 units delivered at retail a year before.

The month's deliveries to customers by dealers totalled 691,803 units, off 3.86 percent from deliveries of 719,563 units in April 1986.

Sales of imported cars in April this year dipped 3.94 percent to 242,394 units from 252,339 last year.

The industry total — domestics plus imports — eased 3.88 percent to 934,197 units from a combined total of 971,902 units a year before.

The daily-selling rate for domestics inched upward for the 10-day selling period and for the month. Cars were sold at a rate of 33,058 units a day in the 10 days compared with 28,505 domestic units a day in the preceding 10-day sales period. For the month, sales averaged 26,608 a day compared with 26,235 a day in March, 24,215 cars a day in February and 17,107 cars a day in January.

The lukewarm sales performance gains added significance in light of the fact it came during a period of widespread sales incentive programs — rebates and low-priced financing plans.

Between April 21 and 30, sales improvements were reported by just three of the eight domestic car builders.

Where the U.S. market was April 1987

	Total Sales	Pct. of Total
SUBCOMPACT	144,530	15.47%
COMPACT	141,434	15.14%
INTERMEDIATE	258,022	27.61%
STANDARD	84,788	9.08%
LUXURY	63,029	6.75%
IMPORT	242,394	25.95%
TOTAL	934,197	100.00%

U.S. CAR SALES BY MARKETING UNITS

	Apr. 1987	Apr. 1986	4 Mos. 1987	4 Mos. 1986
Chevrolet	149,591	155,965	498,873	567,256
Ford	131,701	119,936	458,991	433,288
Oldsmobile	75,793	94,792	255,475	353,618
Toyota	47,369	43,813	155,780	168,118
Pontiac	71,057	83,003	234,802	283,874
Buick	55,861	65,951	183,553	242,781
American Honda	57,517	56,755	219,054	201,912
Nissan	41,337	41,277	184,688	163,146
Dodge	45,894	43,866	141,873	154,990
Mercury	42,647	44,118	145,922	161,251
Plymouth	33,380	33,430	126,926	128,043
Chrysler	25,606	34,590	84,353	113,805
VWoA	25,995	26,905	67,361	94,943
Hyundai	21,320	12,282	77,484	23,302
Cadillac	24,902	26,533	83,285	97,224
Mazda	18,020	9,986	53,300	71,988
Subaru	12,102	15,393	47,045	63,792
Lincoln	15,356	13,347	49,535	50,356
Volvo	10,255	10,018	42,479	41,477
BMW	8,409	8,415	27,486	28,991
Mercedes	7,731	7,759	29,851	30,336
AMC-Renault	3,999	5,782	12,808	25,908
Saab	3,149	4,485	13,912	14,685
Mitsubishi	6,275	2,977	20,346	15,914
Yugo	4,357	1,887	18,162	8,265
Porsche	2,288	2,682	8,151	9,089
Jaguar	1,460	2,159	5,528	6,811
Isuzu	2,953	2,054	8,442	11,858
Peugeot	700	1,088	2,961	4,493
Alfa Romeo	492	510	2,128	1,601
Maserati	60	144	240	537
Sterling	1,621	—	4,199	—
TOTAL	934,197	971,902	3,264,993	3,573,654

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Apr. 1987	Apr. 1986	4 Mos. 1987	4 Mos. 1986
Acura	9,503	4,061	31,000	4,765
Alfa Romeo	492	510	2,128	1,601
Audi	4,901	5,870	11,434	21,735
BMW	8,409	8,415	27,486	28,991
Chevrolet Spectrum	6,383	8,561	24,317	27,577
Chevrolet Sprint	4,274	6,616	15,654	22,289
Chrysler Conquest	1,240	—	4,110	—
Dodge Colt	3,442	3,704	13,230	17,386
Dodge Conquest/Visia	1,224	1,662	5,685	6,560
Ford Festiva	351	—	351	—
Honda	20,448	37,691	84,263	139,069
Hyundai	21,320	12,282	77,484	23,302
Isuzu	2,953	2,054	8,442	11,858
Jaguar	1,460	2,159	5,528	6,811
Maserati Biturbo	60	144	240	537
Mazda	13,020	9,986	53,300	71,988
Mercedes-Benz	7,731	7,759	29,851	30,336
Merkur	541	1,110	2,656	4,836
Mitsubishi	6,275	2,977	20,346	15,914
Nissan	29,087	37,276	148,539	138,938
Peugeot	700	1,088	2,961	4,493
Plymouth Colt	3,142	3,528	11,902	15,967
Plymouth Conquest/Vista	1,178	1,722	4,961	6,193
Porsche	2,288	2,682	8,151	9,089
Renault	1,162	580	2,301	1,545
Saab	3,149	4,485	13,912	14,685
Sterling	1,621	—	4,199	—
Subaru	12,102	15,393	47,045	63,792
Toyota	43,430	43,813	144,547	168,118
Volkswagen	15,896	14,306	39,778	48,087
Volvo	10,255	10,018	42,479	41,477
Yugo	4,357	1,887	18,162	8,265
TOTAL	242,394	252,339	906,442	956,204

Nissan deserves an asterisk in the record book. Because it had limited production a year ago, it reported a sales gain of 465.78 percent for the 10 days.

Honda had a gain of 95.62 percent from year-earlier sales levels and Ford Motor Co. had a gain of 0.89 percent.

American Motors had a drop of 29.72 percent during the the 10-day period and Chrysler Motors declined 24.98 percent from year-earlier levels.

Volkswagen dealers sold 7.77 percent fewer U.S.-built cars in the 10 days and General Motors was down 2.93 percent.

Toyota, which was not building cars in this country during the year-earlier period, sold 2,187 units in the 10-day period.

Nissan had a sales gain of 206.17 percent for all of April.

Honda sales rose 83.74 percent and Ford Motor's were up 7.10 percent. Toyota sales totaled 3,939 units.

American Motors sales in the month slipped 45.46 percent below those of April 1986. Volkswagen's eased 27.75 percent, Chrysler Motor's 16.41 percent and GM's 10.83 percent.

In terms of market share, GM took 39.24 percent; Ford Motor, 20.21 percent; and Chrysler, 9.06 percent. Honda's share amounted to 2.95 percent; Nissan, 1.31 percent; and Volkswagen, 0.56 percent. Toyota had 0.42 percent of the total market and American Motors 0.30 percent.

The imports' share was 25.95 percent of the total.

Louis E. Lataif, vice president, sales operations, Ford North American Automotive Operations, touched an optimistic chord on the month's sales.

"With our April car sales up 7.10 percent and trucks up 15.0 percent, the demand for Fords products is well ahead of the industry pace," he said. "The intent is to gain car-market share by pushing our volumes ahead of last year."

Lataif added, "We are seeing more movement in trucks than expected, bringing April industry car and truck sales in slightly ahead of our full-year projection of about 15 million units."

Chrysler's new entries, LeBaron J, Plymouth Sundance and Dodge Shadow, show up with stength in the sales columns. LeBaron sales grew to 2,787 for the 10 days and 5,631 for the month. Sundance and Shadow sales hit 6,010 in the final 10 days of April and totaled 12,075 for the month.

Sales set record in South Korea

SEOUL, South Korea — South Korea's automakers set a domestic monthly sales record of 39,999 vehicles in April, an increase of 60.3 percent over the volume in the same month a year earlier.

According to industry reports, Hyundai Motor Co. was the pacesetter with 17,070 sales, followed by Kia Motor Co. with 13,619, Daewoo Motor Co., 9,170, and Dong-A Motor Co., 140.

Cumulative sales of the four automakers in the first four months of the year were 123,705 units, a 49.2 percent increase over the year-earlier period.

Fiat holds first-quarter car sales lead in Europe

By Richard Johnson

Despite forecasts of a downturn in 1987, new-car sales in Western Europe are still booming.

Following a sharp increase in March, volume was nearly 5 percent better than last year's record pace through the first quarter.

Italy's Fiat Auto S.p.A., including newly acquired Alfa Romeo, held the European sales lead over West Germany's Volkswagen AG after three months.

At the same time, Japanese products as a group ran 5 percent behind their 1986 performance.

Sales in Western Europe's 17 major markets grew 11.5 percent in March after a depressed January, plagued by poor weather, and a 4.2 percent gain in February.

The West German market picked up momentum in March and regained European leadership, after slipping behind the United Kingdom and Italy through January and February.

Benefiting from a strong home market in the first quarter, French giants Peugeot S.A. and Renault recorded the biggest increases among Western Europe's big six producers.

The sharpest first-quarter decline among Western Europe's top 10 manufacturers was suffered by West Germany's BMW AG, hurt by a declining share in a weaker German market.

Sales figures are derived from industry estimates compiled by *Automotive News*.

NEW CAR SALES IN EUROPE, BY COUNTRY

Country	3 mos., 1987	% Gain/ Loss
West Germany	633,800	– 5.4
United Kingdom	527,300	+ 5.7
Italy	526,700	+ 4.1
France	496,000	+14.5
Spain	206,700	+63.9
Netherlands	188,600	+ 5.8
Belgium/ Luxembourg	123,200	– 4.6
Switzerland	71,800	+ 3.0
Sweden	67,100	+11.4
Austria	58,800	+ 2.7
Finland	41,300	+ 5.8
Denmark	31,500	–40.3
Norway	31,100	–32.6
Portugal	27,200	+22.2
Ireland	20,400	+11.9
Greece	10,600	–30.3
TOTAL	3,062,100	+ 4.8

NEW CAR SALES IN EUROPE, BY MANUFACTURER

Manufacturer	3 months 1987	1987 share*	3 months 1986	Pct. Change 1987 vs. 1986
Fiat Group**	464,700	15.2	442,300	+ 5.1
VW-Audi-Seat	443,300	14.5	415,000	+ 6.8
Peugeot SA***	367,200	12.0	326,700	+12.4
Ford	357,400	11.7	337,300	+ 5.9
GM****	343,600	11.2	337,400	+ 1.8
Renault	321,400	10.5	279,200	+15.1
Japanese (all)	315,100	10.3	331,800	– 5.0
Toyota	78,100	2.5	82,900	– 5.8
Nissan	77,200	2.5	80,800	– 4.4
Mazda	53,100	1.7	63,100	–15.9
Mitsubishi	37,700	1.2	36,000	+ 4.7
Honda	29,600	1.0	31,000	– 4.6
Austin Rover	113,800	3.7	112,000	+ 1.6
Mercedes-Benz	111,800	3.7	110,700	+ 1.0
BMW	71,000	2.3	78,700	– 9.7
Volvo	70,300	2.3	71,800	– 2.1
Others	82,500	2.7	79,300	+ 4.0
Total	3,062,100	100.0	2,922,200	+ 4.8

*—Total does not add to 100 percent because of rounding.
**—Includes Alfa Romeo
***—Peugeot, Citroen, Talbot
****—Opel, Vauxhall, Isuzu, GM-U.S./Canada

Western European sales totaled 3,062,100 in the first quarter of 1987, 4.8 percent higher than the same period in 1986.

The industry achieved a record volume of 11,673,900 in entire 1986, and most analysts expect a slight reduction in 1987.

Fiat Auto, including Alfa Romeo, controlled 15.2 percent of the market through the first three months of this year. Unit volume was up 5.1 percent to 464,700. Fiat improved 9.1 percent by registering big gains in the French and U.K. markets through March. Combined Lancia/Autobianchi/Ferrari sales were off nearly 11 percent.

In its first three months as a Fiat stepchild, Alfa Romeo sales were just under 4 percent lower. However, had Fiat not reaped Alfa's 1.5-percent European market share, 1986 sales leader Volkswagen group would have retained first place over the Italian company in the first quarter.

Overall, new-car sales in West Germany were down 5.4 percent for the first quarter to 633,800, but picked up 9.4 percent in March.

VW's Audi AG numbers swelled nearly 26 percent to 85,900 on the strength of the new Audi 80 (which is coming to the U.S. as the new 4000), while Seat S.A. sales skyrocketed more than 50 percent to 61,400 in the first quarter.

About 40 percent of Seat sales are in the red-hot Spanish market, where volume for the former state-controlled producer grew 75 percent in the first three months.

Buoyed by a strong French market, Peugeot S.A., No. 4 in Europe last year, has moved past Ford Motor Co. into third position with 12 percent. Peugeot group sales increased 12.4 percent to 367,200, with Automobiles Citroen improving sharply at home (up 33 percent in France) and Automobiles Peugeot registering big gains in Italy (up 19.6 percent) and the United Kingdom (up 30.6 percent).

Renault has been the main beneficiary of a French market that improved 27 percent in March and ran 14.5 percent ahead through the first quarter. The state-owned automaker is 21.8 percent above the same period last year in France and recorded the biggest overall first-quarter gain among the top six European producers — 15.1 percent to 321,400.

However, Renault still remains in sixth place in sales rankings with a 10.5-percent share.

Ford and General Motors each improved European sales through March. Ford climbed 5.9 percent to 357,400 and maintained its 11.7-percent share. GM was up 1.8 percent to 343,600, good for an 11.2-percent share.

BMW sales were down nearly 10 percent in the first quarter, a drop attributable to a declining share in Germany. The Munich automaker is off 11.4 percent for the year in its home market.

Japanese auto sales in Europe were depressed in the first quarter following a decline in shipments in late 1986. But a sharp upturn in Europe-bound exports, starting in January, has begun bolstering volume.

After lower sales in the first two months, Japanese sales improved by about one-third in March. For the three-month period, sales are off 5 percent to 315,100. Market share in this year's first quarter dropped to 10.3 percent from 11.4 through the first quarter of last year and 11.6 percent for all of 1986.

The Japanese are down 11.6 percent in unrestricted West Germany. Their share of the smaller first-quarter market in West Germany was 13.1 percent compared to 14.8 for all of 1986.

Toyota paced Japanese makes in Western Europe in the first quarter of 1987 with 78,100 sales, down 5.8 percent from the first three months of 1986. ■

SWF Auto-Electric eyes North American market

BIETIGHEIM, West Germany — ITT SWF Auto-Electric GmbH, headquartered here near Stuttgart, is busily making product and manufacturing plans for the North American auto market.

According to Klaus P. Bleyer, managing director of the company, a subsidiary of ITT Automotive, Bloomfield Hills, Mich., SWF intends to transfer technology from its European operations to a North American product group to be headquartered in the Detroit area.

The plans include manufacturing facilities.

Noting that SWF will proceed with the plan before the end of 1988, he said, "It is very critical for us to marshal our forces as soon as possible because major decisions are being made by North American automakers concerning future electric and electronic components and systems."

Bleyer said SWF currently has the potential to offer automakers 150 different products per car and plans to boost that to 180 by year 2000. The company's electrical systems group specializes in D.C. motors, electronics, harnesses, switches, wiper systems and lighting products.

Daily production in SWF's 11 manufacturing locations currently totals 100,000 wiper blades, 40,000 wiper arms, 35,000 motors, 50,000 switches and 20,000 lamps, according to Bleyer.

He said opportunities in North America result in part from outsourcing actions by U.S. automakers — particularly General Motors.

"They are looking for creative, innovative outside suppliers with new technical solutions," he said.

He emphasized that SWF should have no trouble competing with in-house suppliers of U.S. auto companies.

"Captive divisions develop products only for their parent company," he said. "We develop products for the world. We are technologically a step ahead. Normally, if you are able to compete in a broader market, you are able to remain ahead."

SWF has a number of new products under development or ripe for sale to U.S. automakers, Bleyer said. They range from parts to entire systems.

High on the list, Bleyer said, is an electronic wiper system with contact-pressure adjustment. It automatically adjusts the spring tension of the wiper arm to provide optimum tension at a given speed.

Among its advantages, according to Bleyer: Higher vehicle speeds can be achieved before the wiper blade lifts off the windshield; wiper rubber does not deform when the car is parked for a long time; there is less spring tension at lower speeds, resulting in less vibration of the blade on the glass; and there is less load on the wiper bearings at low vehicle speed.

The company also has come up with a side window wiper-wash system. Besides its capability of being robotically installed on cars in the assembly plant, Bleyer said it has a number of other advantages including: fewer cable and tube coupling points; shorter wires and tubes; and the capability of all components in the system being functionally tested by the supplier — rather than the automaker — including control electronics and connecting wires.

SWF is heavily involved in multiplexing systems, and has one under development for the driver-side door. It requires only four wires compared to a couple of dozen normally used, and includes seat-position memory, a window-closing device with safety switch and mirror adjustment.

"Multiplexing will start in the driver-side door," predicted Bleyer, who added it is "less than five years away."

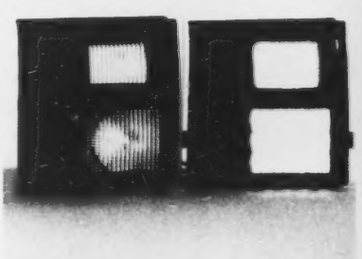
Ready for marketing now is an electronic rear-wiper unit whose D.C. motor can be placed inside or outside the vehicle, according to the car designer's wishes.

Another innovation is a windshield-wiper control system with a rain sensor. It detects the intensity of rain hitting the windshield — regardless of whether the vehicle is idling or operating at highway speeds — and adjusts the wiper to optimum operating conditions.

SWF also is working on an ultrasonic parking aid. By means of a computer-controlled in-car transmitter-receiver, the system calculates the distance of objects close to the car, and signals the information to the driver via a screen display.

Another product, a flat-design rear lamp, is a "lifetime" mini-bulb lamp system. If one of the tiny bulbs burns out, it has little effect on the lamp's overall brightness. Bleyer said the flat, compact design is seen as a styling plus.

Bleyer predicts a bright future for SWF's four-color injection-molded taillights. The one-piece assembly is injected with four colors — black, plus three "operating colors" including white (backup light), yellow (turn signal) and red (side marker).



SWF describes its flat-design rear lamp as a "lifetime" minibulb system; if one of the tiny bulbs burns out, it has little effect on the lamp's overall brightness.

Said Bleyer, "It is made in a single mold. Styling people are very excited about this. We foresee the first application by the end of 1988."

Among SWF's other new products are a steering-column switch that incorporates an injection-molded lead frame and progressive contact-latching, and has what Bleyer called "a more sophisticated switch feel"; a fuel-tank gauge that is self-adjustable with integrated pre-supply pump; and a speed sensor that can be used in applications ranging from integration in electric motors to use as a wheel-revolution sensor in anti-skid systems. ■

OVERSEAS PRODUCTION

FRANCE
Cars

	January 1987	January 1986
Peugeot SA	129,292	129,642
Citroen	50,963	48,410
Peugeot/Talbot	78,329	81,232
Renault	105,229	99,980
Total	234,521	229,622

Vans, Trucks, Buses

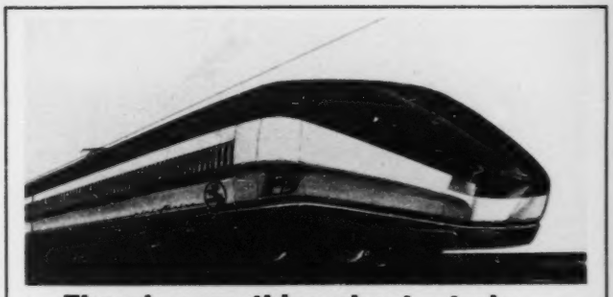
CBM	0	6
Heuliez	11	0
Iveco-Unic	0	11
Peugeot SA	10,974	13,156
Citroen	3,719	6,059
Peugeot/Talbot	7,255	7,061
Renault/RVI	22,515	26,267
Sovam	0	7
Total	33,500	39,411
Total Vehicles	268,021	269,033

JAPAN
Cars

	January 1987	January 1986
Daihatsu	9,585	11,285
Fuji	25,506	25,444
Honda	81,165	82,543
Isuzu	16,019	16,194
Mazda	59,609	61,474
Mitsubishi	41,135	49,586
Nissan	140,900	138,522
Suzuki	23,754	20,861
Toyota	195,568	211,027
Total	593,241	616,936

Vans, Trucks, Buses

Daihatsu	31,860	32,439
Fuji	28,887	26,030
Hino	4,382	5,856
Honda	16,587	16,268
Isuzu	23,700	27,738
Mazda	28,634	32,756
Mitsubishi	55,352	46,796
Nissan	35,003	43,266
Nissan Diesel	2,307	2,629
Suzuki	41,863	41,031
Toyota	75,089	77,525
Others	11	59
Total	343,675	351,995
Total Vehicles	936,916	968,931



There's something about a train...

Could Pinifarina already be working on a replacement for the Cadillac Allante? Naw. This is an artist's rendition of Italy's first high-speed train, the ETR 500, for which Pininfarina did aerodynamic research and styling. The ETR 500 is expected to do 300 kmh (about 186 mph) on existing track. A scale model was on display recently at the international public transport show in Geneva.

OVERSEAS REGISTRATIONS

AUSTRIA
Cars

	2 mos., 1987	2 mos., 1986
BMW	767	1,207
Daihatsu	168	171
Fiat Auto	1,884	2,673
Fiat/Lancia	1,666	2,345
Alfa Romeo	218	328
Ford	2,465	2,626
GM-Opel	3,294	4,249
Honda	666	742
Jaguar	14	12
Lada	165	169
Mazda	2,153	2,360
Mercedes-Benz	1,211	1,295
Mitsubishi	719	593
Nissan	1,361	1,442
Peugeot SA	1,822	2,010
Citroen	854	954
Peugeot/Talbot	968	1,056
Porsche	33	68
Renault	1,270	1,306
Rover Group	22	27
Saab	31	49
Skoda	85	106
Subaru	604	675
Suzuki	222	104
Toyota	1,907	2,130
VW Group	6,118	6,483
Volkswagen	4,904	5,183
Audi	1,045	1,105
Seat	169	195
Volvo	353	497
Others	17	6
Total	27,261	31,299

DENMARK
Cars

	2 mos., 1987	2 mos., 1986
BMW	320	517
Dacia	6	65
Daihatsu	206	588
Fiat Auto	1,154	1,366
Fiat	1,090	1,269
Lancia	13	0
Alfa Romeo	51	97
Ford	1,690	3,271
FSO	64	160
GM-Opel	2,948	5,280
Honda	294	329
Jaguar	3	4
Lada	501	0
Mazda	1,730	2,799
Mercedes-Benz	247	195
Mitsubishi	284	77
Nissan	825	1,155
Peugeot SA	1,618	1,774
Citroen	889	1,398
Peugeot/Talbot	729	376
Renault	66	168
Rover Group	10	0
Saab	222	320
Skoda	406	485
Subaru	42	75
Suzuki	18	38
Toyota	2,112	3,329
VW Group	1,590	2,326
Volkswagen	1,207	2,006
Audi	287	186
Seat	96	134
Volvo	762	1,026
Wartburg	105	99
Zastava	140	235
Total	17,374	27,098

FRANCE
Cars

	12 mos., 1986	12 mos., 1985
Alfa Romeo	17,075	14,907
BMW	30,519	29,347
Fiat Auto	115,116	92,790
Fiat/Lancia	114,896	92,659
Ferrari	220	131
Ford	131,077	133,288
FSO	1,312	1,457
GM-Opel	91,011	87,143
Honda	9,354	8,824
Innocenti	1,321	1,341
Jaguar	386	266
Lada	21,132	20,094
Mazda	14,334	13,836
Mercedes-Benz	22,235	20,939
Mitsubishi	3,204	3,341
Nissan	16,531	15,515
Peugeot SA	612,979	612,281
Citroen	222,715	226,789
Peugeot	390,264	385,492
Porsche	1,606	1,432
Renault	602,910	507,788
Rover Group	39,633	31,944
Saab	2,204	1,565
Santana	570	109
Skoda	2,672	3,222
Toyota	12,628	11,933
VW Group	139,836	132,744
VW/Audi	114,733	110,734
Seat	25,103	22,010
Volvo	19,260	18,157
Zastava	1,054	1,621
Others	522	444
Total	1,911,521	1,766,328

IRELAND
Cars

	12 mos., 1986	12 mos., 1985
Alfa Romeo	89	167
BMW	477	490
Daihatsu	735	508
Fiat Auto	3,187	2,886
Ford	8,052	11,005
GM-Opel	6,381	7,823
Honda	1,176	683
Isuzu	191	72
Lada	54	40
Mazda	3,039	1,374
Mitsubishi	1,712	847
Mercedes-Benz	512	376
Nissan	6,732	5,553
Peugeot SA	1,965	1,823
Renault	2,765	4,255
Rover Group	3,023	3,897
Saab	214	177
Skoda	33	129
Subaru	553	129
Suzuki	1,028	430
Toyota	9,948	10,543
VW Group	4,687	4,559
VW-Audi	4,285	4,542
Seat	402	17
Volvo	869	1,066
Others	359	533
Total	57,781	59,365

JAPAN
Cars

	January 1987	January 1986
Daihatsu	4,077	5,271
Fuji	3,360	3,815
Honda	13,877	15,156
Isuzu	3,020	3,550
Mazda	11,947	11,378
Mitsubishi	6,076	6,164
Nissan	36,068	37,536
Suzuki	2,478	3,565
Toyota	69,258	68,102
Imports (all)	4,170	3,017
Total	154,331	157,554

Vans, trucks, buses

Daihatsu	23,007	20,143
Fuji	13,252	11,453
Hino	2,472	2,253
Honda	10,183	12,780
Isuzu	7,370	7,392
Mazda	9,522	10,904
Mitsubishi	20,248	19,940
Nissan	15,186	15,401
Nissan Diesel	1,458	1,169
Suzuki	21,765	27,332
Toyota	21,902	21,192
Imports (all)	9	13
Total	146,374	149,972
Total Vehicles	300,705	307,526

NORWAY
Cars

	12 mos., 1986	12 mos., 1985
Alfa Romeo	212	223
BMW	4,405	3,947
Daihatsu	1,626	1,443
Fiat Auto	7,130	6,278
Ford	25,051	23,300
GM-Opel	20,056	22,039
Honda	4,682	3,732
Lada	2,766	2,754
Mazda	12,695	14,046
Mercedes-Benz	4,112	2,911
Mitsubishi	5,968	5,158
Nissan	10,213	9,786
Peugeot/Citroen	9,880	8,037
Renault	1,210	1,100
Saab	3,005	2,599
Skoda	452	605
Subaru	3,133	2,574
Suzuki	982	0
Toyota	19,224	17,059
VW Group	16,382	18,602
Volvo	13,790	12,380
Others	328	507
Total	167,352	159,079

SWEDEN
Cars

	3 mos., 1987	3 mos., 1986
BMW	1,172	1,025
Bertone	0	4
Chrysler	4	0
Daihatsu	164	339
Fiat Auto	1,759	1,750
Fiat	1,097	849
Lancia	367	691
Alfa Romeo	295	210
Ford	7,461	6,340
GM-Opel	7,183	5,689
Honda	695	1,042
Isuzu	25	0
Jaguar	12	4
Lada	401	330
Mazda	2,738	2,750
Mercedes-Benz	1,557	1,974
Mitsubishi	507	544
Nissan	2,504	3,615
Peugeot SA	2,138	1,414
Citroen	771	612
Peugeot/Talbot	1,367	802
Porsche	83	92
Renault	886	654
Rolls-Royce	2	2
Saab	6,906	6,779
Skoda	18	35
Subaru	458	316
Suzuki	264	183
Toyota	4,658	2,725
VW Group	8,576	7,488
Volkswagen	5,300	4,988
Audi	3,276	2,500
Volvo	16,942	15,833
Others	21	5
Total	67,134	60,278

WEST GERMANY
Cars

	2 mos., 1987	2 mos., 1986
BMW	16,998	20,920
Bertone	28	33
Daihatsu	1,088	1,606
Fiat Auto	19,686	21,641
Fiat/Lancia/ Ferrari	18,952	20,811
Alfa Romeo	734	830
Ford	30,298	43,429
GM-Opel	47,699	58,879
Honda	3,679	5,848
Isuzu	723	909
Jaguar	241	276
Lada	1,660	1,426
Mazda	8,437	11,211
Mercedes-Benz	46,331	48,753
Mitsubishi	6,368	7,779
Nissan	7,212	10,377
Peugeot SA	14,038	20,417
Citroen	4,137	7,507
Peugeot	9,901	12,910
Porsche	1,098	1,695
Renault/AMC	11,585	13,082
Rover Group	1,375	1,570
Saab	716	619
Skoda	286	406
Subaru	2,172	2,519
Suzuki	3,154	3,064
Toyota	8,051	11,700
VW Group	97,932	105,080
Volkswagen	69,737	84,790
Audi	27,096	19,699
Seat	1,099	591
Volvo	1,861	2,636
Others	166	286
Total	335,297	396,798

AUCTION DATES

American Motors

May 12 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

May 13 — Columbus Fair Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

May 14 — Todd Auto Auction, Telford, Pa., and Evansville Auto Auction, Evansville, Ind.

May 19 — D-A Auto Auction, New Stanton, Pa.

May 20 — Minneapolis Auto Auction, Plymouth, Minn.

May 21 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

May 22 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

May 12 — Indianapolis Auto Auction, Indianapolis

May 13 — Lakeland Auto Auction, Lakeland, Fla., and Golden Gate Auto Auction, Fremont, Calif.

May 14 — Denver Auto Auction, Englewood, Calif.; Aptco Auto Auction, Taylor, Mich.; and Skyline Auto Exchange, Fairfield, N.J.

May 19 — South Seattle Auto Auction, Kent, Wash.

May 20 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C., and Southern California Auto Auction, Fontana, Calif.

May 21 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; St. Louis Auto Auction, Bridgeton, Mo.; and Minneapolis Auto Auction, Plymouth, Minn.

Used Car Sales
Auction Averages

May to date	$5,846
Month ago	$5,839
Year ago	$5,118

General Motors

May 12 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

May 13 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; and Baltimore-Washington Auto Exchange, Baltimore

May 14 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

May 19 — Harrisonburg Auto Auction, Harrisonburg, Va.

May 20 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Model Breakdown
Auction Averages

	MAY 1987	APR 1987	MAR 1987
1987	$12,605	$13,266	$13,443
1986	$9,440	$9,460	$9,609
1985	$7,247	$7,236	$7,305
1984	$5,741	$5,732	$5,825
1983	$4,835	$4,842	$4,860
1982	$3,707	$3,727	$3,755
1981	$2,666	$2,635	$2,643
1980	$2,174	$2,170	$2,155
Overall Average	$5,846	$5,832	$5,829

May 21 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

May 28 — Florida Auto Auction of Orlando (Orlando Extravaganza), Orlando, Fla.

Chrysler Corp.

May 12 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

May 13 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Northway Exchange (special sale), Clifton Park, N.Y.

May 14 — Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

Gilmour, Mair address group
Allan D. Gilmour, above, Ford Motor Co. executive vice president, and Alex C. Mair, retired group vice president — technical staffs at General Motors, addressed more than 100 auto industry executives who attended a conference last week on domestic industrial competitiveness sponsored by the President's Council of the GMI Management and Engineering Institute. Gilmour warned that "if you only take care of the long-term, corporate raiders appear on your doorstep," while Mair spoke of the need to adopt some Japanese manufacturing approaches.

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New entries juggle California market shares

Hyundai, Acura, Yugo take 4% for '86; most Japanese lines dip; Chevy gains

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Three newcomers further heightened competition in the California new-car market in 1986, causing market-share losses for five of seven Japanese automakers and 13 of 20 other nameplates.

Honda and Chevrolet were the only major winners while the other General Motors divisions and Nissan suffered significant market-share losses. The figures, comparing new-car registrations for 1985 and 1986, were compiled by R.L. Polk & Co. for J.D. Power and Associates, Westlake Village, Calif.

The figures reveal that 18 of the 27 major nameplates lost market share in a pivotal and trend-setting market. Unit sales in California were up about one percent last year, to about 1.15 million cars.

The fragmentation of the California market continues. Only two of the 13 largest-volume nameplates gained market share, while seven of the other 14 improved penetration.

Hyundai of America captured nearly 3 percent of California sales in the South Korean car's first year. American Honda's new Acura Division won 0.85 percent, and Yugo of America had 0.25 percent — a total of 4.04 percent for new nameplates.

Much of that market penetration apparently came out of the hides of Japanese. Five Japanese makes lost a combined 2.36 percent in market share. Nissan fared worst with a dip 1.67 percentage point; Toyota, Mazda, Mitsubishi and Isuzu also were down.

But the Japanese move upscale put pressure on the domestics, especially GM. Ford Motor Co. finished in plus territory and Chrysler Motors lost about a third of a percentage point.

The success of the newcomers still left a little room for major gains among existing players. Honda Division moved past Nissan Motor Corp. in U.S.A. and Toyota Motor Sales for third place (behind Ford and Chevrolet) with a gain of 0.87 percentage points to a 9.50 percent share.

Chevrolet moved back into double digits in California with a 0.43-percentage-point gain to 10.16 percent and closed the gap between itself and market leader Ford Division, which slipped 0.22 percentage points to an 11.34 percent share.

The only other share gains were modest — 0.2 percentage points and less — and were confined to smaller sellers: Volkswagen, Volvo, Mercedes-Benz, Subaru, Jaguar, Saab and Alfa Romeo.

"Of major significance is GM's continued loss of market share in California," said Christopher Cedergren, senior automotive analyst for J.D. Power. "GM is below 28 percent in the nation's most competitive market."

GM's most upscale divisions combined for a share loss of almost 2 percentage points, although Chevrolet's gains bolstered by captive imports reduced the overall drop to 1.48 points.

Total GM share for California was 27.35 percent in 1986 compared with 28.83 percent in 1985. GM's California penetration is only slightly higher than Chevrolet's share in the late 1960s.

But Cedergren said he believes the GM plunge will slow with the introduction of several new models this year and next that are closer to meeting the preferences of California consumers.

"GM is getting closer to what the customer wants in California and has learned from past mistakes," Cedergren said. "Chevrolet's Corsica and Beretta are certainly not look-alike cars and the 1988 GM-10 coupes are more distinctive between divisions than Ford's Taurus and Sable. They'll definitely yield more market share than the rear-drive models they replace."

The Pontiac LeMans, which is imported from South Korea and goes on sale June 11, should also be a winner in California's hot imported small-car market. Expected to help sales are the car's value-price position and a rub-off from Pontiac's performance image.

THE CALIFORNIA CAKE

Make	1986 Units	Share	1985 Units	Share
Ford	130,084	11.34	131,305	11.56
Chevrolet	116,628	10.16	110,456	9.73
Honda	108,991	9.50	97,965	8.63
Toyota	107,590	9.38	108,675	9.57
Nissan	89,514	7.80	107,551	9.47
Oldsmobile	63,921	5.57	70,425	6.20
Chrysler/Plymouth	59,106	5.15	61,676	5.43
Lincoln/Mercury	52,551	4.58	54,534	4.80
Buick	47,955	4.18	56,438	4.97
Pontiac	47,441	4.13	50,144	4.42
Dodge	39,243	3.42	39,898	3.51
Mazda	38,016	3.31	40,449	3.56
Cadillac	37,811	3.30	39,901	3.51
Hyundai	33,773	2.94	—	NA
Volkswagen	32,285	2.81	31,655	2.79
Volvo	23,801	2.07	21,188	1.87
Mercedes-Benz	20,985	1.83	20,782	1.83
BMW	19,036	1.66	20,944	1.84
Subaru	16,692	1.45	14,783	1.30
Mitsubishi	12,029	1.05	14,343	1.26
Acura	9,714	0.85	—	NA
Audi	7,559	0.66	10,998	0.97
AMC	5,662	0.49	7,865	0.69
Jaguar	5,514	0.48	4,577	0.40
Porsche	5,158	0.45	4,794	0.42
Isuzu	4,932	0.43	5,309	0.47
Saab	4,148	0.36	3,625	0.32
Yugo	2,889	0.25	—	NA
Peugeot	1,664	0.15	2,445	0.22
Alfa Romeo	1,256	0.11	867	0.08
Renault	241	0.00	490	0.00
Other	1,171	0.10	1,349	0.12
TOTAL	1,147,360		1,135,453	

SOURCE: J.D. Power Associates

AMC purchase cools Chrysler's hot buying pace

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. is winding down its corporate buying spree with the planned purchase of American Motors.

Chrysler Motors President Harold K. Sperlich told Automotive News, "We're kind of getting up to our eyeballs. Our plate is pretty full.

"We've got a good team here but we are reaching our limit."

Chrysler's $1.1 billion bid to buy AMC follows a wide range of purchases since 1985. Chrysler spent $642 million on its Gulfstream acquisition; $405.2 million to buy FinanceAmerica; $125 million to purchase E.F. Hutton Credit Corp.; $111.4 million to increase its stake in Mitsubishi to 24 percent; and $33 million to increase its holding in Maserati. The company has not disclosed what it paid for Lamborghini but the rumored figure is $30 million.

Through the purchases, Chrysler sought to strengthen its core car and truck business and to diversify into areas that would protect it from the cyclical nature of the auto industry.

Asked if the corporation will now pull back from additional purchases, Sperlich said, "I think so. There may be some odds and ends. It's not that easy to plan.

"You get a sense of where you are trying to get, both in terms of diversification and in terms of the development of your core car and truck business, and you have to move when a situation is right. You can't always decide how much you want to take on at what time."

Chrysler announced March 9 it is seeking to acquire the 44.84 percent stake in AMC owned by Regie Nationale Des Usines Renault as well as all publicly held AMC shares.

"If the acquisition of AMC happens, that will keep us busy for awhile," Sperlich said. "You can only grow a company in so many directions at one time. I think that will leave us sticking to our knitting for awhile."

Chrysler also has been conducting a corporate search for a high-technology company to feed technologies back to the vehicle manufacturing operations and to offset the cycles of the auto business. To date, it has had little success in that search.

Asked if the so-called high-technology acquisition box on the corporate organization chart will be left empty at the current time, Sperlich said:

"As we find interesting possibilities we'll do it if it fits in and makes sense. But it's not the kind of thing you say, 'I'm going to go out and do this' or you'll end up buying a bunch of junk."

Sperlich also said that Chrysler anticipates differing results in its relationships with Maserati and Lamborghini.

Chrysler bought Lamborghini in April. It increased its equity in Maserati to 15.6 percent in 1986 with options to increase the holding to 51 percent by 1995.

"They are different animals. Maserati produces an exotic automobile and they have an image of performance and Italian craftsmanship. We're working with them to do more cars like the Chrysler TC by Maserati.

"Lamborghini is different. Its image is just outrageous performance. It's a different kind of thing, more expensive. We'll be developing that on a different basis and we think the two will be quite different."

Asked if there would ever be joint product development with Lamborghini as there is with Maserati, Sperlich said, "They'll be developed as thoroughbred Lamborghinis all the way."

"A trickle" of the Chrysler TC by Maserati convertibles will begin arriving in the United States in the third quarter of 1987, Sperlich said, with a heavier flow in the fourth quarter.

"We have not picked an introduction date," he said. "But we've been introducing it for two years. I guess when we finally announce an introduction date it will be a little anti-climactic.

"We are bringing it out as soon as we can bring it out in the quality that we think is required by a car of that price," Sperlich said.

Chrysler has not announced pricing but the car is expected to retail for about $30,000.

JEEP

FROM PAGE 1

purchase Renault's 44.84 percent stake in AMC as well as AMC's publicly held stock.

Renault and Chrysler said last week that they had failed to complete negotiations for a final agreement due to the complexity of the process. Three deadlines for reaching the agreement have passed. Last week, the companies said they were continuing work on the agreement but without a deadline.

"We are not finished yet, but we are optimistic," a Chrysler spokesman said.

Legal technicalities, marketing plans between Renault and Chrysler in the United States and Europe and determining the worth of AMC were items being discussed, according to French sources.

"It's a merger, not an assimilation of a new subsidiary, so we have to mesh the two companies," Sperlich said.

"It's going to be a massive undertaking. Obviously, our goal is to complete that as fast as possible."

Sperlich said it will take several years before "the vision of what could be" will be realized.

"In our business, the timing cycles are long," he said. "A lot of things you want to do from a product standpoint take a lot time. We'll assimilate the cultures in the organization in a hurry and, hopefully, over time create a stronger, new company.

"Our hope is that we'll be able to make synergies so that it will come out that two and two equals five."

Chrysler's $1.1 billion bid to buy AMC, if successful, will place Chrysler in a position to mount a massive assault on the utility-vehicle market that Sperlich sees as ripe for expansion. The company would use its minivan lineup and the Jeep products to mount the campaign.

"It's the area between truck and car," Sperlich said. "For years, when we've talked market segments, those were the two macro segments. We gave them names like they were airtight compartments.

"The truth is that over the years those two aren't airtight. It's become a continuum of products as the light trucks become more civilized and more useful for personal transportation and the station wagons worked their way over from the car segment.

"In the middle, you have the sport-utility market itself that is probably the fastest-growing single market and where Jeep is a dominant player.

"That whole area of utility vehicles in terms of product innovation has been the most fertile of the last decade or so. That market, in my mind, was the forgotten product segment and it's the one that is going to explode," Sperlich said.

"We're positioning ourselves, obviously, with our tremendous investment and product push in the minivan market. They are utility vehicles. And with the program to acquire Jeep, we're going to have the two premier positions in that new market."

Earlier this year, Chrysler began production of stretched versions of the Dodge Voyager and Plymouth Caravan minivans, giving it two assembly plants devoted solely to minivan production.

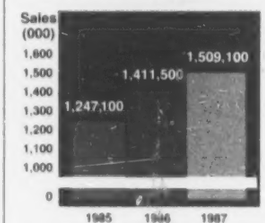
"How big will that new market get? I don't know but it's just been tapped, in my opinion, and everybody is going after it," Sperlich said.

"I don't know how big it will get, but we hope it gets big because we're going to bet the ranch on it."

The United States market for full-sized sport-utility vehicles, compact sport-utility vehicles and compact vans totaled 1.24 million units in 1985, 1.4 million units in 1986, and is projected at 1.5 million units in 1987, according to J.D. Power & Associates, a marketing consultant firm.

That represents a climb from 8.09 percent of the total car and light-truck market in the United States in 1985 to a projected 9.90 percent in 1987.

MARKET STEPS UP FOR SMALL VANS, SPORT—UTILITIES



Source: J.D. Power & Associates DRI

Outsourcing protest may ignite GM strikes

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Local unions at General Motors facilities in Michigan and Indiana last week took action against the automaker's outsourcing and subcontracting of work, action that could result in a strike at one Indiana plant within weeks.

The UAW has said that outsourcing and subcontracting undermine job security, and the union has made those issues its top priority during this year's bargaining with GM and Ford Motor Co.

Underlying the seriousness of those and other issues, Pete Kelly, president of Local 160 at GM's Tech Center in Warren, Mich., is advising his membership that they "could be in for a long and bitter strike" when the contract expires this fall.

So far, the following action has been taken by three locals:

- Workers at GM's Delco Remy Division plants in Anderson, Ind., voted 3,445 to 356 last week in favor of going on strike to protest outsourcing and subcontracting. A strike in Anderson could start a process like the one that crippled more than 20 General Motors assembly plants late last year following a strike at Delco Electronics in Kokomo, Ind.

The Delco Remy plant in Anderson is a major supplier of ignition systems and horns to GM assembly plants.

The Anderson facility also is a major supplier of electrical components for Ford heavy trucks, a Ford spokesman said. He said the company is "looking at the situation and will try to minimize the impact" of a possible strike.

Though outsourcing is a major point in the Anderson dispute, it is not a strikeable issue. The strikeable issue is the subcontracting of skilled trades work in violation of the agreement.

- Local 599, GM's largest local, representing the Buick City complex in Flint, Mich., took a strike vote in April. Last week, it asked the international union for a five-day letter warning GM of its intent to strike. But the local subsequently withdrew its request when the automaker announced that 4,700 workers would be laid off this week for inventory adjustment.

Buick City produces Buick LeSabre and Oldsmobile 88 models and supplies powertrains for several models.

"The problems (of outsourcing and subcontracting) are there and are very real. But we've put the matter on the back burner," said Fred Myers, Local 599 president.

- At GM's Tech Center in Warren, that local's president announced last week he is soliciting proxies from GM stockholders as part of a campaign to protest outsourcing, subcontracting, foreign investment, plant closings and executive bonuses. Kelly said he will vote the proxies in support of a resolution on those issues at the stockholders' meeting May 22 in Detroit.

Kelly said that subcontracting is still a problem at the Tech Center, despite a month-long strike last fall to protest violations of the contract. He said that small engineering firms are flourishing around the Tech Center and siphoning off UAW jobs. Kelly said grievances are not being resolved and another strike is possible.

John Coale, president of Local 662, said that Delco Remy in Anderson, Ind., has been outsourcing switches and alternators to a plant in Mexico, resulting in the loss of hundreds of Anderson jobs. Coale said GM is planning to outsource more switches.

Coale said the company and the union have been discussing the outsourcing and subcontracting situation for several months.

According to Coale, local members are angry about the outsourcing because they have been making quality products and have cooperated with management.

"We want some quid pro quo. We'll cooperate, but keep the damn work in Anderson," Coale said.

Kelly said that is precisely what is angering GM workers. He said GM says it needs worker cooperation — and the company gets it in the form of progressive contracts with team production and other concessions — yet GM continues to subcontract in violation of agreements. Kelly said the company also continues to slash UAW jobs through outsourcing.

"We all know that GM is in deep trouble. But it continues to shoot itself in the foot because at the time when it needs its employees' loyalty the most, it continues to arouse their anger, frustration and disgust," Kelly said.

Mack workers ratify contract

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Mack Trucks workers at three sites ratified a master contract May 3 that will keep thousands of jobs in the Northeast.

The 5½-year pact includes a wage cut of $1.01 per hour and other benefit reductions as well as requirements to increase productivity. It was approved by a 4-to-1 margin by UAW members in Allentown, Pa.; Hagerstown, Md.; and Somerset, N.J.

Mack had previously announced plans to move out of the Northeast if it could not obtain competitive contracts.

The contract has yet to be signed, "pending clarification in writing of the contract language," said Charles Fenstermacher, alternate shop chairman.

Some issues are still in arbitration and will not be resolved before the end of the month, he said. Those involve union demands that the UAW be recognized at Mack's new Winnsboro, S.C., plant and that Mack workers at one of its Allentown plants, which is slated to be closed this summer, be allowed to transfer to the new plant with full seniority.

The master agreement was negotiated with the help of a labor mediator. The international union had previously refused to recognize six-year agreements reached by Mack locals without the participation of the international.

PRODUCTION

April auto output dips

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Production of domestic cars in April totaled 655,892 units, 11.72 percent below the March total of 742,941 and 11.56 percent below the year-ago month's 741,584.

Last week's targeted output of 163,216 was 0.90 percent below the previous week's 164,702 and 2.26 percent more than the year-ago week's 159,604.

Companies split last week's scheduled production as follows: General Motors, 53.76 percent; Ford Motor Co., 23.82 percent; Chrysler Motors, 13.60 percent; Honda of America Manufacturing Inc., 4.10 percent; New United Motor Manufacturing Inc., 2.45 percent; Nissan Motor Manufacturing Co. U.S.A., 1.81 percent; and American Motors, 0.46 percent.

Volkswagen of America's assembly plant in Westmoreland, Pa., was idle for inventory adjustment last week. The plant was scheduled to resume output today (May 11).

Three GM plants are idle this week for inventory adjustment. They are: Buick City in Flint, Mich., affecting 4,700 workers; Wentzville, Mo., 6,100 workers; and Tarrytown, N.Y., 3,500 workers.

Production was halted at two GM plants on May 8 for model changeover. The Fairfax, Kan., plant was shut down to prepare for the new front-wheel-drive Pontiac Grand Prix to be introduced in mid-1988, idling 5,500 workers.

GM's Arlington plant will be idle for 16 weeks (affecting 2,400 employees) for changeover to Chevrolet Caprice sedans and wagons and Oldsmobile Custom Cruiser wagons.

Saturday (May 9) overtime was scheduled at GM's No. 1 plant in Lansing, Mich.

Ford has slated daily overtime this week (May 11) at all its car plants.

Chrysler's St. Louis (No. 2) plant was scheduled for Saturday overtime. Daily overtime is slated this week for Chrysler's Newark, Del.; Sterling Heights, Mich.; and St. Louis (No. 1) plants.

Truck production a record

Truck production set a record in April. The total was 330,826, which topped the previous April peak of 326,162 in 1986.

However, last month's output was 7.75 percent below the March total of 358,622.

Targeted production of 76,374 units last week was 3.45 percent lower than the prior week's 79,107 but 4.76 percent more than the year-ago week's 72,901.

Ford Motor Co. scheduled all its plants to work Saturday (May 9).

Canada trucks: year's best

Canadian production of 79,555 trucks in April was the highest for any month since last April when 86,525 were built.

Last month's production was slightly higher (0.43 percent) than the March total of 79,212.

Last week's scheduled output of 18,585 trucks was 1.97 percent more than the previous week's 18,226 but 3.27 percent below the year-ago week's 19,213.

April car output of 69,052 was 9.85 percent lower than the March total of 76,599 and 38.09 percent below the year-ago month's 111,533.

Scheduled production of cars last week dipped considerably from the previous week's and year-ago week's output because of shutdowns at three General Motors plants.

GM's Oshawa, Ontario (No. 2) and Ste. Therese, Quebec, plants remain idle for model changeover.

The Oshawa, Ontario (No. 1) plant was idle last week for inventory adjustment.

CANADIAN CAR	Week Ended May 9, 1987	Week Ended May 10, 1986	Week Ended May 2, 1987	April Total	Jan. 1 to May 10, 1986	Jan. 1 to May 9, 1987
AMERICAN MOTORS	100	119	88	457	2,236	2,387
FORD MOTOR	11,565	11,399	11,555	49,073	207,283	193,666
GENERAL MOTORS	0	13,491	5,545	17,599	212,287	97,644
HONDA	300	0	270	978	0	1,215
VOLVO	225	225	225	945	4,021	3,780
Total Cars, Canada	12,190	25,234	17,683	69,052	425,829	298,692

U.S. TRUCK☆	Week Ended May 9, 1987	Week Ended May 10, 1986	Week Ended May 2, 1987	April Total	Jan. 1 to May 10, 1986	Jan. 1 to May 9, 1987
CHEVROLET	21,404	22,403	23,707	104,935	456,009	403,601
DODGE	4,800	1,749	4,825	19,285	8,440	87,785
FORD	31,308	30,351	31,403	127,619	541,938	549,466
GMC	8,164	7,352	8,510	33,848	135,473	135,628
NAVISTAR	1,678	1,589	1,663	6,629	27,809	27,401
JEEP	4,500	3,370	4,429	19,134	72,753	79,028
NISSAN	1,770	3,737	1,820	7,516	37,399	30,099
AM GENERAL*	450	50	450	1,740	922	2,850
MISCELLANEOUS*	2,300	2,300	2,300	10,120	41,600	39,100
Total Trucks, U.S.	76,374	72,901	79,107	330,826	1,322,343	1,354,958

CANADIAN TRUCK	Week Ended May 9, 1987	Week Ended May 10, 1986	Week Ended May 2, 1987	April Total	Jan. 1 to May 10, 1986	Jan. 1 to May 9, 1987
AMERICAN MOTORS	750	856	775	3,108	7,488	11,508
CHRYSLER	8,494	8,724	8,504	39,314	162,089	150,738
FORD	3,648	3,642	3,563	14,500	65,413	57,081
GENERAL MOTORS	5,480	5,767	5,180	21,819	111,930	72,124
NAVISTAR	213	224	204	814	3,695	3,420
Total Trks., Canada	18,585	19,213	18,226	79,555	350,615	294,880
N. Am. Trucks	94,959	92,114	97,333	410,381	1,672,958	1,649,838

—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended May 9, 1987	Week Ended May 10, 1986	Week Ended May 2, 1987	April Total	Jan. 1 to May 10, 1986	Jan. 1 to May 9, 1987
AMERICAN MOTORS	750	2,009	764	3,052	18,543	12,149
Renault Total	750	2,009	764	3,052	18,543	12,149
Alliance	750	1,782	764	3,052	16,145	12,149
Encore	0	227	0	0	2,398	0
CHRYSLER MOTORS	22,200	25,212	24,416	88,632	522,250	426,382
Plymouth Total	5,300	8,656	5,913	22,144	149,624	139,673
Horizon	0	3,887	0	0	57,196	32,997
Sundance	1,700	0	2,224	8,827	0	39,687
Reliant	2,300	3,466	2,479	8,737	85,517	45,164
Caravelle	1,100	741	1,000	4,016	20,955	20,838
Gran Fury	200	562	210	564	5,956	987
Chrysler Total	9,100	6,499	10,107	35,892	179,284	131,033
Laser	0	801	0	0	19,925	0
LeBaron K	1,600	2,148	1,806	6,791	44,817	32,116
LeBaron J	3,600	0	4,012	12,188	0	39,094
LeBaron GTS	900	0	1,065	3,909	26,930	15,671
N. Yorker/E-Class	1,500	1,392	1,910	7,575	36,075	32,341
Fifth Avenue	1,500	2,158	1,314	5,429	51,537	11,811
Dodge Total	7,800	10,057	8,398	30,596	193,342	155,676
Daytona	1,200	1,198	1,627	6,116	19,578	18,442
Omni	0	3,443	0	0	57,143	28,363
Shadow	2,200	0	2,558	9,702	0	38,262
Aries	2,700	2,891	2,443	8,124	47,533	40,814
Dodge 600	1,000	1,834	931	3,845	32,255	18,485
Lancer	500	0	546	1,947	24,637	9,882
Diplomat	200	691	293	862	12,196	1,428
FORD MOTOR	38,871	38,083	39,885	168,456	679,863	723,448
Ford Division	27,654	27,100	28,147	120,851	464,971	503,859
Escort	6,969	8,009	7,154	31,226	149,837	131,189
Mustang	4,570	4,626	4,450	19,492	74,811	79,727
Tempo	3,989	4,398	3,794	16,183	76,589	70,602
Taurus	7,948	6,487	8,011	37,148	99,128	164,686
Thunderbird	4,178	3,580	4,738	16,802	64,606	57,655
L-M Division	11,217	10,983	11,738	47,605	214,897	219,589
Mercury Total	7,129	7,312	7,638	31,220	145,946	152,782
Lynx	239	1,441	643	2,983	24,219	18,389
Capri	0	0	0	0	6,139	0
Topaz	1,512	1,032	1,357	5,537	23,828	22,008
Cougar	2,788	2,398	3,136	11,184	44,464	60,615
Sable	2,590	2,441	2,502	11,516	47,296	51,770
Lincoln Total	4,088	3,671	4,100	16,385	68,951	66,807
Continental	410	406	412	1,651	7,818	6,691
Lincoln	3,066	2,755	3,075	12,292	51,721	50,104
Mark VII	612	510	613	2,442	9,412	10,012
GENERAL MOTORS	87,735	84,800	85,894	332,327	1,684,029	1,406,926
Buick Total	13,038	17,713	14,622	50,871	280,895	225,520
Skyhawk	0	1,911	0	2,310	32,949	13,713
Century	4,160	5,359	5,108	15,721	93,809	71,413
Regal	1,200	2,161	1,101	3,230	19,575	16,354
Somerset/Skylark	1,140	2,571	1,844	6,250	38,149	28,750
LeSabre (fwd)	3,840	3,215	3,271	13,855	41,435	44,278
LeSab./Elec. (rwd)	57	346	469	1,276	5,173	4,880
Electra (fwd)	2,400	1,501	2,573	7,510	41,229	39,548
Riviera	241	649	256	719	8,576	6,584
Cadillac Total	5,501	8,138	6,246	24,034	119,584	115,220
Cimarron	200	660	237	401	9,968	6,110
Allante	130	0	137	442	0	1,159
Brougham (rwd)	1,200	2,387	1,134	4,551	32,333	28,951
DeVille (fwd)	2,880	3,923	3,910	16,013	61,670	63,764
Eldorado	573	594	431	1,377	8,515	6,298
Seville	518	574	397	1,250	7,098	8,938
Chevrolet Total	35,609	23,574	32,234	131,479	542,286	529,900
Chevette	0	0	0	0	43,101	0
Camaro	2,620	2,835	2,575	12,651	80,389	38,886
Cavalier	8,300	8,525	7,700	34,578	160,621	134,536
Celebrity	8,199	5,676	7,706	26,968	112,926	135,822
Corsica/Beretta	7,750	0	6,250	25,782	0	97,733
Monte Carlo	1,900	2,187	1,924	6,914	44,371	27,153
Chevrolet	6,200	3,715	5,422	22,016	90,757	84,850
Corvette	640	636	648	2,570	10,121	10,920
Oldsmobile Total	17,006	20,666	16,266	59,586	428,189	265,428
Firenza	0	583	0	1,864	19,207	3,411
Calais	3,660	2,243	3,141	10,075	50,712	43,170
Cutlass Ciera	4,735	4,866	3,671	12,323	103,613	66,677
Cutlass Supreme	2,562	1,811	3,116	10,538	69,671	27,202
88 (fwd)	4,095	8,423	4,098	15,948	123,687	78,437
88 (rwd)	476	503	453	1,793	8,496	7,020
Olds 98	960	1,764	1,316	5,667	46,618	29,695
Toronado	518	473	471	1,278	6,185	6,218
Pontiac Total	16,581	14,709	16,526	66,357	313,075	270,858
Acadian*	0	0	0	0	6,131	0
Fiero	1,095	1,281	1,173	2,703	29,826	14,043
1000	0	0	0	0	9,808	0
Firebird	1,345	1,505	1,747	8,204	43,006	29,410
2000 Sunbird	2,343	3,058	2,453	9,904	53,550	43,324
Grand Am	6,220	4,801	5,314	23,718	82,557	93,374
6000	2,170	3,260	2,439	7,832	57,144	32,117
Bonneville	3,125	0	3,141	12,605	0	53,723
Safari/Parisienne	283	804	259	1,391	31,053	4,867
HONDA	6,700	3,880	6,604	28,678	68,179	118,997
Civic	1,679	0	1,770	7,041	0	37,361
Accord	5,021	3,880	4,834	21,635	68,179	81,636
NISSAN	2,960	0	2,972	12,426	21,517	50,511
NUMMI	4,000	3,600	4,165	15,929	65,908	69,082
Corolla	750	0	800	3,178	0	14,009
Nova	3,250	3,600	3,365	12,751	65,908	55,073
VOLKSWAGEN	0	2,020	0	6,394	32,646	25,927
Golf/GTI	0	2,020	0	5,494	32,646	21,477
Jetta	0	0	0	900	0	4,450
Total Cars, U.S.	163,216	159,604	164,702	655,892	3,092,940	2,833,422
Total Cars, Canada	12,190	25,234	17,683	69,052	425,829	298,692
N. American Cars	175,406	184,838	182,385	724,944	3,518,769	3,132,114
N. Am. Trucks	94,959	92,114	97,333	410,381	1,672,958	1,649,838
North American Cars and Trucks	270,365	276,952	279,718	1,135,325	5,191,727	4,781,952

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

NADA to fill two halls in San Francisco

SAN FRANCISCO — The National Automobile Dealers Association Convention and Exposition will fill both this city's major meeting and exhibit halls when it convenes Feb. 6-9.

"By using both the Brooks Hall-Civic Auditorium complex and the Moscone Center, we'll be able to overcome space limitations at each facility," said Jim Clark, convention committee chairman. The committee finalized arrangements last week for the 71st annual convention.

The two facilities are about a mile apart, and NADA will expand its shuttle bus service between the two halls and NADA hotels.

"Had we been limited to even the most spacious facility in San Francisco (Moscone), we'd still have had to turn away more than 100 firms which exhibited with us earlier this year in Las Vegas and want to be with us again in 1988. That kind of serious cutback just wasn't acceptable," he said.

NADA last held its convention in San Francisco in 1985; at that time 17,000 delegates attended. More than 24,000 persons attended this year's NADA convention in Las Vegas. "And since San Francisco has been one of the most popular cities and the most-visited city by NADA over the last 50 years, we're preparing for another record year," Clark said.

Exhibits, workshops, make meetings, tape sales, food service and exhibition registration will be available at both facilities.

Brooks Hall-Civic Auditorium will host opening and closing general sessions, the Sunday morning inspirational service, lifestyle section and tour program launches. The Moscone Center will be the sole site for delegate registration.

NADA exhibitions will occupy 120,000 square feet at Moscone and 50,000 at Brooks. "Brooks is being used for numerous events to help assure balanced delegate traffic there," Clark said.

The 24 hotels NADA has contracted with for room blocks are: Cathedral Hill, Four Seasons Clift, Fairmont, San Francisco Hilton, Holiday Inn Civic Center, Holiday Inn Financial District, Holiday Inn Fisherman's Wharf, Holiday Inn Golden Gateway, Holiday Inn Union Square, Hyatt Regency San Francisco, Hyatt Union Square, King George, Mark Hopkins, Marriott Fisherman's Wharf, Hotel Meridien, Hotel Nikko, Portman Hotel, Ramada Fisherman's Wharf, Ramada Renaissance, Sheraton Fisherman's Wharf, Sheraton Palace, Sir Francis Drake Hotel, Hotel Stewart and Westin St. Francis.

The first opportunity to register for the convention will come in mid-June when promotional brochures will be mailed.

Joining Clark, a dealer from Lawrence, Kan., on the convention committee are: Ernie Bates, Kentucky; Frank England, Mississippi; Ray Green, Illinois; Marv Hartwig, Iowa; Mark S. Herrman, New York; Harry Martens Jr., Washington D.C.; James H. McDonald, Nebraska; Robert F. Pulliam, South Carolina; Edward L. Scuncio, Rhode Island; Richard R. Smith, Missouri; and James A. Willingham, California.

Past NADA President James B. Woulfe, Dublin, Calif., is executive committee liaison, and Dennis Jungmeyer, Arkansas, is Automotive Trade Association executive liaison.

S/MAC 2700-1

Automotive News

May 18, 1987

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AUTOMOTIVE NEWS JOE WILSSENS

Ford's high command meets shareholders
Ford Motor Co. officers field shareholders' questions at the company's annual meeting in Detroit last week. From left are Chairman Donald E. Petersen, President Harold Poling and Vice Chairman William C. Ford. At the meeting, it was announced that Ford will boost its capital spending into the 1990s as it attempts to add to its share of the U.S. market.
Story on Page 6.

Japan's parts firms speed U.S. attack; total may hit 300

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The troubled U.S auto parts industry is about to be overwhelmed by an unprecedented wave of Japanese investment in the United States.

An internal U.S. Commerce Department report obtained by Automotive News predicts that by the end of the decade, Japan will have as many as 300 parts and materials suppliers operating in the United States — competing with U.S. parts makers for business from Big Three and Japanese automakers.

The report surfaces as General Motors is planning to stop in-house production up to 10 percent of its own parts because they cannot be manufactured on a world-competitive basis. Similar re-evaluations are under way at Ford Motor Co. and Chrysler Corp. Those Big Three phaseouts and supply needs of Japanese assembly facilities under construction in the United States are sure to mean more business for outside parts suppliers.

And while U.S. auto parts trade associations quarrel with the 300 number in the Commerce Department report, they concede that at least 150 Japanese auto parts companies have announced plans to make U.S. investments by the mid-1990s.

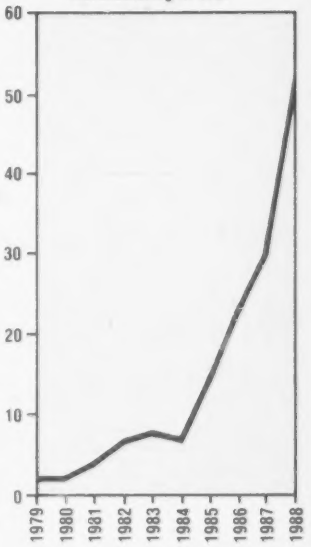
When those 150 Japanese parts makers join other Japanese automotive firms already manufacturing in the United States, the combined force will employ at least 35,000 people by 1989, according to a forecast by the Original Equipment Division of the Motor and Equipment Manufacturers Association.

The government's parts-making study was compiled for internal distribution to the Commerce Department's working group on auto-parts trade. It emerged at a time when there is widespread concern among U.S. companies and their employees about the future of manufacturing in this country. But the report pointed out that efforts by this country's Big Three auto manufacturers to cut costs and efforts by individual states to attract foreign investment are contributing to the decline of American-owned parts firms.

Japanese industry sources told

see PARTS, page 66

Japanese Auto Parts Firms Starting Manufacturing in U.S.



SOURCE Donald L. Conover

HAULERS: *Carrier alleges $400 million scam in overcharges on domestic autos*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

A rate structure that charges domestic makers more than importers to ship cars is at the crux of a Tennessee haulaway company's lawsuit against the giants of the hauling industry.

In its lawsuit, Coltrans Systems Inc. claims that the domestic automakers are being overcharged because of the dual-rate structure on cars, and a Coltrans executive says the overcharge could be as much as $50 per car or $400 million a year.

The Big Three automakers declined to comment on haulaway rates, and the big haulers declined to discuss specific rates.

Coltrans claims that the defendants are violating the Sherman Antitrust Act by charging domestic automakers artificially high rates to subsidize lower rates given to auto importers.

Coltrans seeks $30 million in damages and maintains that the lawsuit is critical to its future because the company hauls primarily imported cars. Coltrans says it can't compete if other companies are operating below cost for roughly the same service.

The company has about 16 percent of the haulaway market for imports and has sales of about $50 million annually.

Defendants in the lawsuit filed in U.S. District Court for the Central District of California are Ryder System Inc., Leaseway Transportation Corp., Allied Services Inc., their subsidiaries and Cassens Transport Co.

Coltrans accuses them of providing depressed rates on imports in order to drive mid-size motor carriers — like itself — out of business. "In some cases, there is a difference in rates of up to $100 per car," said Norman W. Collins, Coltrans' president and chief executive officer.

Common carrier rates filed with the Interstate Commerce Commission in Washington lend support to Coltrans' complaint.

For example, Motors Convoy Inc., a subsidiary of

see HAULAWAY, page 64

More U.S. Hondas due for dealers

New program at Marysville slated to hike plant's output

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

MARYSVILLE, Ohio — Honda of America beheves increased automation and more efficient work methods will allow its Marysville plant to exceed its posted production capacity by next year — giving Honda dealers more U.S.-built cars to sell.

Shoichiro Irimajiri, president of Honda of America, said in an interview that next year's output may pass the 360,000 units Honda officials had termed the plant's capacity.

Productivity improvements worldwide are a major thrust within Honda, as it implements a plan revealed last December to become so efficient that the company can operate profitably even if the yen rises to 120 against the U.S. dollar.

The Marysville plant, which employs 3,700 workers, is expected to produce 320,000 Accords and Civics this year — a total that will exceed the company's original projection for 1987 by 20,000 units.

Irimajiri outlined the ways productivity will be increased even more at the Marysville plant.

"First we will introduce much more automation," he said. Secondly, Irimajiri said, focus will be on improving employees' work methods to eliminate wasted effort and shave seconds from each production step.

A Honda spokesman said that the Marysville plant has been able to produce beyond original expectations because improved production methods

see HONDA, page 62

AUTOMOTIVE NEWS JOE WILSSENS

Honda of America President Irimajiri

Western Star's future: Navistar or 'no sale'

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Western Star Trucks Inc., a medium-sized heavy-truck manufacturer, is expected to make an announcement in the next few weeks regarding its possible sale to Navistar International or its removal from the market as a sale candidate.

A board meeting of the principal shareholders of Western Star Trucks is scheduled May 20.

The meeting, already delayed once, may be delayed again, James Prendergast, chairman of Western

see SALE, page 64

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Dealer sues Roman Motors — Page 2
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Import stocks reach record levels in May — Page 66

AUTOMOTIVE NEWS JOE WILSSEIS PHOTOS

Tomorrow's automobile designers

If the future belongs to the young, the automotive designs by students at the Center for Creative Studies in Detroit will be shaping the next generation of cars.

Last week, some 20 domestic and foreign motor-vehicle manufacturers sent representatives to evaluate the work of 50 students enrolled in the CCS Industrial Design/Transportation Department.

Here, students Erik Klimisch, top, and Hermidas Atabeyki show off their respective automotive designs.

Automakers who visited CCS last week are offering jobs to the 13 seniors and will fill summer internship programs with underclassmen. The school will place about 95 percent of the students with auto manufacturers this year, according to Bill Robinson, assistant chairman of the transportation department.

The automotive designs by CCS students are on display at the school and can be viewed by the public until June 7.

Chrysler rejects minicar market

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Unlike its domestic competitors, Chrysler Motors plans no immediate foray into the minicar market.

Instead, Chrysler will rely on the Omni/Horizon America subcompacts to anchor the low end of its product lineup and may continue producing those models for an additional three to five years.

The base price of the Omni/Horizon America five-door hatchbacks currently is $5,799. Chrysler executives cited the relatively small volume of the minicar market and the strength of Omni and Horizon sales in explaining the decision to remain on the minicar sidelines.

Ford Motor Co. jumped into the mini market earlier this month with the launch of the Festiva, a new import from South Korea that has a base retail price of $5,765.

Chevrolet offers the one-liter, three-cylinder Sprint for $5,995. The Sprint is manufactured by Suzuki in Japan. The Subaru Justy, which has a base retail price of $5,495, also competes in the mini segment.

"We don't really see a compelling need for us to get into that market segment," said Robert Lutz, Chrysler Motors Executive Vice President. "We do have the Omni/Horizon Americas that are base-priced below $6,000. We can offer a five-door Omni/Horizon for just about the price of some of the Far Eastern mini, or almost micro, cars."

Chrysler has not announced where it will build the 1988 Omni and Horizon models. The cars were taken out of production in March at Chrysler's Belvidere, Ill., assembly plant to make way for the 1988 Chrysler New Yorker Brougham and Dodge Dynasty.

Inventories on May 1 showed a 51-day supply for Omni and a 55-day supply for Horizon. A 60-day supply is considered comfortable.

In an interview, Chrysler Motors President Harold K. Sperlich, said the America models could remain for several years.

"As long as they provide good value and good quality, they will last," he said. "At their price, they'll last quite a few more years. Three to five more years is easily within the realm. Are we certain of that? No. You can plan life cycles but you can't be certain what will happen."

Speculation in the past has centered on the possibility that Chrysler would compete in the bottom end of the market by importing a small car from a country such as Romania, South Korea or Taiwan.

Sperlich said the market below Omni and Horizon is "not that big a segment at this time.

"Down the road, we will need a replacement for Omni and Horizon," he said. "If the market for even lower-priced cars turns out to be significant, we'll have to be involved in it. We have to be involved in anything that's very significant, but we feel pretty content with our situation right now."

Allantes bring premium prices in auction action in Florida

Action at the auction may not be what Cadillac had in mind for its mint-new, big-ticket Allante, but the car made it to the block almost as soon as its paint was dry.

Florida Auto Auction in Orlando which handles a large number of exotics, was among the first auctions to move Allantes.

Dealer invoice price for the car is $46,659 and suggested retail price is $54,700. The car went on sale in certain areas of the United States in February.

The first car sold in Orlando went for a husky $60,000, according to Joe Greco, general manager. The seller was a Texas Cadillac dealer and the buyer an unidentified General Motors dealer from Alabama, he said.

Subsequently, Allantes were moved by Florida Auto Auction auctioneers at $58,750, $56,500 and $56,000.

A Cadillac spokesperson said, "When a car is hot you can't keep it off the auction. Those in Florida were sold at good prices and it's at the auctions that used-car prices are established so it's generally good news. It's certainly nothing Cadillac would be upset about."

— Roger Rowand

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61st year—No. 5181

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Greenwald to be World Congress keynoter

Gerald Greenwald has never been one to back away from a challenge.

The biggest one in his automotive career occurred in April 1979, when he quit his job as president of Ford de Venezuela S.A. and joined then-struggling Chrysler Corp. as controller.

As a key member of Chairman Lee A. Iacocca's comeback team, Greenwald helped devise and carry out the long-range programs that made Chrysler successful.

Greenwald, now chairman of Chrysler Motors Corp., will be keynote speaker at the 12th Annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

The 51-year-old executive, who is responsible for all of Chrysler's automotive operations worldwide, will deliver the State of the Industry address on Sunday evening, July 26.

Greenwald is well versed on this year's World Congress theme, "Facing Up to Competitive Times." He's been traveling far and wide in carrying out an aggressive Chrysler strategy.

A few weeks ago, he was in Sant' Agata, Italy, where Chrysler concluded its acquisition of Lamborghini, famed performance-car maker.

In the past year, Chrysler also completed its Dodge City truck plant in Warren, Mich., at a cost of $500 million; retooled its St. Louis No. 2 plant for stretched minivans, at a cost of $475 million; spent $445 million to put new Dodge Daytona and Chrysler LeBaron cars into its St. Louis No. 1 plant; and spent $71 million to prepare American Motors' Kenosha, Wis., plant for the Chrysler Fifth Avenue and other cars.

Also in the past 12 months, Chrysler revamped its Belvidere, Ill., plant for assembly of its new full-sized Chrysler New Yorker Brougham and Dodge Dynasty, an $800 million undertaking; started construction of the Diamond-Star Motors Corp. plant in Illinois, a $600 million joint-venture project with Mitsubishi; reorganized its $2.8 billion parts business into a separate company, Acustar Inc.; and launched negotiations to acquire AMC.

In an effort to squeeze more than $500 million out of its costs, Greenwald said, the company has frozen white-collar hiring; cut out all management overtime premiums; and cut in half the merit-raise pool for its executives. Departmental budgets have been cut and Chrysler has asked suppliers for a price reduction.

"What we're telling our own people, as well as our suppliers, is that we're in a *war* right now," Greenwald said.

In his World Congress keynote address, Greenwald is expected to provide insights into how that industrial conflict is being waged on the automotive battlefronts of the world.

In addition to Greenwald, more than 30 other speakers — all industry experts — will address the World Congress.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

Design in aerodynamics
Fontaine Truck Modification Center, Louisville, Ky., is manufacturing bumper air dams and fuel-tank side shields to reduce drag and improve the efficiency of Ford's L-series trucks. New designs are being developed for the "hot-shot" and other markets.

Nissan Diesel uses Texas trade zone

The Auto Park in Midlothian, Texas, has announced that Nissan Diesel America will use Foreign Trade Zone 113 there to import Class 5, 6 and 7 trucks. Nissan estimated it will ship up to 20 percent of its U.S. volume from California to The Auto Park under that program.

The Auto Park, 25 miles southwest of Dallas, is designed for processing, distributing and storing motor vehicles. Mazda Motors, Isuzu Truck, American Honda and American Isuzu also use the park. Last year, it handled more than 90,000 vehicles.

A Foreign Trade Zone, although located within the United States, is considered for tariff purposes to be outside the U.S. customs territory.

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Light-Duty April, Year-to-Date Sales

	April		Year-to-Date	
	1987	1986	1987	1986
Vans	17,126	16,185	59,193	56,550
Aerostar	14,286	12,683	48,478	41,047
Club Wagon	2,684	3,080	9,477	8,847
Ranger	30,281	23,700	107,119	90,794
Bronco	4,536	4,301	16,367	15,485
Bronco II	8,666	7,763	35,199	27,748
Pickups	50,983	43,590	173,610	164,129
Ford	**128,562**	**111,312**	**449,443**	**404,609**
Vans	10,241	11,952	32,794	40,736
Sportsvan	1,132	1,672	4,268	5,696
Astro	13,621	13,934	45,022	46,075
S-10	17,822	19,404	74,542	89,610
S-10 Blazer	11,387	14,173	47,376	49,580
El Camino	1,184	1,995	4,202	7,860
Blazer	2,647	3,643	9,665	13,240
Suburban	5,026	5,131	16,438	17,194
Pickups	39,977	38,215	131,172	143,215
Chevrolet	**103,037**	**116,019**	**385,479**	**393,206**
Vans	6,825	7,814	21,127	21,847
Ram Wagon	2,462	4,935	10,103	13,351
Voyager	12,015	10,773	34,814	38,441
Caravan	12,258	10,764	37,837	39,762
Mini Ram Van	1,269	1,317	4,467	5,258
Ram 50	5,486	6,263	23,897	24,714
Raider	1,665	0	5,427	0
Ramcharger	1,992	2,251	8,363	6,408
Dakota	9,007	0	32,637	0
Pickups	9,006	7,949	34,627	31,400
Chrysler	**62,985**	**52,066**	**213,299**	**181,181**
Vans	3,849	3,192	12,719	11,642
Safari	2,916	2,856	9,882	10,170
S-15	3,953	4,465	15,892	16,459
S-15 Jimmy	2,747	3,394	11,771	12,193
Jimmy	801	684	2,645	2,672
Caballero	162	205	546	965
Suburban	1,754	1,490	5,783	5,616
Pickups	11,403	9,292	35,799	36,225
P Model	597	446	2,106	1,391
W-4	95	127	449	376
GMC	**28,277**	**26,151**	**97,592**	**97,709**
Wrangler/CJ	2,751	1,975	9,069	11,327
Wagoneer	1,083	845	4,159	3,343
Cherokee	8,955	8,408	33,867	30,569
Grand Wagoneer	988	1,249	4,229	4,984
Comanche	3,256	2,132	12,214	10,078
J-10/J-20	111	135	502	499
Jeep	**17,144**	**14,744**	**64,040**	**60,800**
Toyota	29,816	28,265	96,702	118,418
Nissan	20,483	19,205	76,611	72,132
Mazda	10,807	14,112	38,638	44,424
Isuzu	9,714	9,606	31,387	36,678
Mitsubishi	4,606	4,986	15,732	11,506
Suzuki	8,341	2,875	28,942	12,187
Subaru	142	290	839	1,021
Range Rover	170	—	249	—
Imports	**84,079**	**79,339**	**289,100**	**296,366**
Industry Total	**424,084**	**393,631**	**1,478,953**	**1,427,871**

*Nissan includes domestically-built units in Tennessee

Light-truck sales records topple for April, 4 months

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Domestic light-truck sales continued at a record pace in April and for the first four months of the calendar year.

Sales of 424,084 light trucks in April were 7.7 percent higher than last year's 393,631, the previous April high.

January-April sales also set a record. The total was 1,478,953, up 3.6 percent over last year's count, which was the previous high.

Most truck companies and divisions — with the exception of Chevrolet, Mazda, Mitsubishi and Subaru — recorded good sales gains in April.

Full-sized pickup trucks have been showing a strong comeback, aided by Ford's restyled F-series, the recently introduced 1988 Chevrolet C/K and GMC Sierra models and special merchandising efforts, such as rebates, incentives and price-leader models, on Dodge's D and W-series.

Chevrolet and GMC are expected to benefitmore strongly from their respective 1988 C/K and Sierra series, beginning in May.

Chevy and GMC versions were officially introduced last month.

General Motors sources said there were production restrictions on the C/K and GMC Sierra models until recently, limiting available trim levels, for example.

The new pickups now are being built with in higher trim levels and production is accelerating.

In April, Chevrolet retailed 6,080 of the new 1988 C/K pickups and GMC sold 1,831 Sierras. So far, Chevrolet has retailed 9,887 C/K models and GMC has sold 2,969 Sierras.

Ford led the April sales parade by retailing 128,562 light trucks, up 15.5 percent from a year earlier. Chevrolet sold 103,037 units, a 6.3 percent drop; Chrysler, 62,985, up 21.0 percent; GMC, 28,277, up 8.1 percent; and Jeep, 17,144, up 16.3 percent.

Import sales totaled 84,079 units, up 6.0 percent from April 1986.

Suzuki continues to be the fastest-growing truck retailer with sales of 28,942 for the January-April period, more than twice the 12,187 retailed in the corresponding period of 1986.

SERVICE MANAGEMENT

Cadillac goes all-out on Allante service program

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Owners of Cadillac's new $54,700 Allante have a right to expect that their Italian/American-built car can be fixed quickly and conveniently. Cadillac is taking great pains to be sure that it can.

Cadillac has developed special Allante training classes for its dealership technicians as well as a special program to ensure that repair parts are available.

Also, the Allante carries a warranty that the company says is equal or superior in coverage to that of Mercedes-Benz — generally considered to be the most comprehensive in the industry.

Allante service classes are available through General Motors' 34 Product Service Training schools.

GM offers classes in pearlescent paint repair, body fit and alignment, Bosch anti-skid braking system diagnostics, body computer module (BCM) electronics, and aluminum body repair.

Werner Meier, technical service manager for the Allante Core Group, said he believes the training courses will prove valuable for body and bump shop technicians, electrical technicians, and new-car preparation technicians.

Cadillac is paying particular attention to training technicians to service the Allante body. The body is available in pearlescent white, which offers a unique appearance but also requires unique repair techniques.

$54,700 Allante

Pearlescent white has proved to be the most popular Allante color, but Cadillac service personnel were worried that it would be impossible to repair without respraying the entire car. Pearlescent paint appears differently depending upon the angle from which it is viewed and the manner in which it is sprayed.

Meier said the pearlescent paint is applied in a three-coat process — the first coat is white, the second is a coat of mica particles that determines the appearance of the paint, and the third is a clear coat.

Conventional metallic paint techniques do not directly apply to the repair of white pearlescent tri-coat paint. Early efforts at panel-repair and spot-repair were unsuccessful. Because the resulting color is dependent on the thickness and orientation of the mica flakes in the pearl coat, it was virtually impossible to create a uniform color over a large panel using manual application techniques. Since this pearl coat does not achieve "hiding," its color will continue to change as successive coats are applied, making this color difficult to match.

Before Cadillac decided to proceed with this color, special repair techniques had to be developed. A special "zone process" was developed that determines the depth of the mica in the surrounding area and takes advantage of Allante's highly sculptured lines when the repair process is applied.

Cadillac's ultra luxury car also carries what is believed to be the most extensive product assurance plan offered by an American automaker.

The Allante Assurance Plan's limited warranty includes 7-year/100,000-mile coverage of all major and most other components. Included are the engine, transaxle, steering, brakes, front and rear suspensions, air conditioner and engine cooling systems and fuel system. In addition, the electronic instrument panel cluster, electronic climate control systems and fuel data center are covered for the same period.

Unlike warranties that cover only those repairs resulting from defects in material or worksmanship, Allante's Assurance Plan also covers repairs to any specified original-equipment part that does not function during normal service.

Under the basic coverage, Allante is covered in its entirety for 12 months or 12,000 miles, whichever occurs first. Following expiration of the basic coverage, and subject to a $25 deductible, the entire car is covered for up to 7 years/100,000 miles, except for glass, light bulbs and interior and exterior appearance items.

By comparison, Mercedes-Benz offers a four-year/50,000-mile warranty on the entire car. Mercedes however, does not include a $25 deductible on warranty repairs as Cadillac does after the first 12 months or 12,000 miles.

In addition, Allante owners will receive three free oil changes in the first 12,000 miles. When cars come in for an oil change, dealers will extract electronic information from the Allante's onboard computer. From that information, Cadillac's technical center hopes to develop a data base that will enable the division to predict maintenance difficulties down the road, according to Meier.

Cadillac has also taken special measures to ensure that parts are available for the Allante.

The division has set up a special parts stock list for the Allante. In order to encourage dealers to stock those components, Cadillac will buy back unused parts for up to two years.

Cadillac also has set up a warehouse in Lansing, Mich., and has set a goal of delivering any Allante part within 24 hours of an order. A toll-free number has been established for dealers to order Allante parts.

Technicians who run into difficulty in the repair of an Allante may call a toll-free number to discuss the problem with an engineer. In cases of severe problems that cannot be diagnosed over the phone or by experts within the sales zone, Cadillac will fly an engineer to the dealership to fix the car.

SHOP TALK

FROM PAGE 18

repair centers. Also, rental cars and hotel rooms will be provided if necessary. Payment for the services will be handled directly by Cross Country.

Service pays

Dealers and manufacturers pay a lot of lip service to the benefits of satisfying the customer, but they seldom say what a satisfied customer is worth.

The Capital District Automobile Dealers Association, Albany, N.Y., however, says a dealership that resolves 16 customer complaints per week can achieve an added 200 sales per year, according to a recent study.

On the other hand, a customer who has had an unpleasant experience with a company will tell nine or 10 people.

On the importance of handling complaints properly, the group said that 71 percent of completely satisfied people who had previously complained to a dealer, and 54 percent of partially satisfied people said they would return to the dealer. Only 22 percent of dissatisfied customers said the same.

The dealer association also is encouraging customers to complain when they are not satisfied. Customers who do not voice their complaints are not likely to come back to a business, the association said.

The association has established an Automotive Consumer Action Program — AUTOCAP — to encourage customers to complain and to help dealers resolve those complaints quickly.

AUTOCAP receives more than 60 phone calls per month and more than 95 percent of those calls are resolved through the informal mediation efforts of the AUTOCAP staff, the dealer association said.

Cases that cannot be solved informally go to a panel of consumer advocates and dealer representatives. The panel can require participating dealers to make repairs; it can mandate independent technical inspections of new and used cars; and it can provide consumers with loaner vehicles while repairs are made.

Chinese parts

The Koreans have certainly entered the domestic auto industry with a bang. Might the Chinese be far behind?

Shanghai Truck and Automobile Co., a mainland China manufacturer of cars and parts, set up shop at the "Big I" aftermarket parts show in Atlanta. The company wants to market such automotive items as pistons, electrical components and various forgings and stampings.

Andrea Versenyi, marketing assistant for Dynamic Harvesters, a company that represents several companies based in China, Taiwan and Hong Kong, said Shanghai Truck already has some Toyota and Mitsubishi aftermarket parts business in the United States.

However, this was the company's first foray to the "Big I" show. Versenyi said the company is looking for "any type of business."

Hammer parts

AMG owners in the northwestern U.S. can now get parts for their Hammers (and other AMG cars).

AMG is one of the best-known Mercedes-Benz "tuners" and its Hammer is a 300E-based sedan that is said to be capable of 186 mph.

The company, which has U.S. headquarters in Westmont, Ill., recently signed AMG of Bellevue in Kirkland, Wash., as the first authorized AMG parts and installation center in the Northwest.

The owners are Marcus Westermayer and Ralph Bomer. The signing of the parts center is part of a plan to establish a national network of service centers for the exotically tuned sedans.

Service index continues upward

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Automotive News Service Index climbed 8.6 percent in March compared with March 1986, indicating a substantial increase in service and parts business at new-car dealerships during the month.

March was the second month in a row to register a gain in shop business. In February, the service index was up 4.0 percent over the same month a year earlier.

The index was down 1.7 percent in January, compared with the first month of 1986.

In the first quarter of 1987, shop business was 3.5 percent higher than in the first quarter of 1986.

A Saab dealer in the Northeast, whose service business increased, said, "February is a short month. March is generally a good service month. Customers often put off jobs (such as exhaust-system and shock-absorber repairs) during the winter and take care of their cars during the spring."

A Southern Chevrolet dealer attributed an increase in business to good weather.

And a Mountain States Buick dealer said his increase was due to a "better job of selling service by the service advisors and technicians."

All indicators were positive in March. Sales of all parts and accessories registered the biggest gain, up 13.1 percent over March 1986. Total labor sales (customer paid and warranty) climbed 11.3 percent; gross profit on all labor, parts and accessory sales rose 9.6 percent; shop parts sales (customer paid and warranty) were up 8.6 percent; and repair orders written were up 0.2 percent.

Parts and accessories sales to off-premises customers climbed 16.7 percent in March.

In the first quarter of 1987, all indicators except repair orders written showed gains.

Sales of all parts and accessories climbed 7.6 percent; total labor sales increased 6.7 percent; gross profit on all labor, parts and accessory sales rose 4.6 percent; and shop parts sales went up 3.3 percent.

Repair orders written were down 4.6 percent in the first quarter of 1987.

Parts and accessory sales to off-premises customers were up 10.8 percent through March.

SERVICE INDEX
108.6★

	March, '87 vs. March, '86	3 mos., '87 vs. 3 mos., '86
Gross Profit on All Labor and P&A Sales	+9.6%	+4.6%
Repair Orders Written	+0.2%	−4.6%
Total Labor Sales (Customer & Warranty)	+11.3%	+6.7%
Shop Parts Sales (Customer & Warranty)	+8.6%	+3.3%
Sales of All P&A	+13.1%	+7.6%

★— Survey by Automotive News shows that dealers' service and parts business in March 1987 was 108.6 percent of business in March 1986. Service business in the first 3 months of 1987 was 103.5 percent of business in the corresponding period in 1986.

BMW: *Shortage of technicians prompts importer to recruit and train non-dealer personnel*

By John A. Russell
MOTIVE NEWS STAFF REPORTER

MONTVALE, N.J. — In an effort to increase the number of trained technicians, BMW of North America has started a new training program for non-BMW dealership personnel.

Hans Duenzl, service vice president, said the program began in February in the San Francisco and Montvale zone offices. It will be expanded nationwide within a year.

Duenzl said BMW inaugurated the program in an effort to ease the shortage of trained technicians. He estimated there is a shortage of 400 technicians at BMW's 425 dealerships in the United States.

When the training program is available in all regions, the company will graduate 80 to 100 technicians a year, said John Staley, national service training manager.

BMW is not limiting this concept to service technicians. In June, the company will launch a six-month body-repair course and, shortly afterwards, a five-month paint course.

The six-month long, Service Technician Education Program is offered free of charge to selected candidates. The classes are small, Duenzl said, and will average no more than eight students per course.

BMW is looking for candidates who have some automotive experience, whether in vocational schools or high schools. Candidates must be high school graduates.

As an example of the selection standards, Duenzl said there were 100 applicants for the course in the San Francisco region and only six were selected. Staley said the company advertised for the first candidates, but in the future it will be recruiting from junior colleges and similar educational institutions.

BMW supplies the training and tools for the course, but the candidates are not paid. While BMW does not guarantee the students jobs, it believes that graduates will be offered employment at BMW dealerships.

Enough engineers today, but future isn't bright

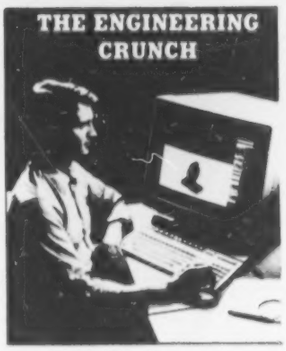
"The thing that just breaks my heart, the best and brightest out of Asia are learning skills that will create jobs. Our best and brightest all want to be Wall Street bankers, consultants and other things that contribute little to the real worth of the country . . ." — H. Ross Perot, Economic Club of Detroit, Dec. 8, 1986.

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Ross Perot's contention that America is becoming a nation of bankers and burger flippers highlights concerns among many in the auto industry that an engineering crunch may be coming.

Today, there is no shortage of engineers to design, develop and manufacture products. The real worry is whether there will be a sufficient number in the future.

The number of advanced degrees in engineering is dropping and is likely to continue to fall as the students of the baby-boom generation move into post-college age.



"The number of people eligible for bachelor's degrees is decreasing and the number of freshmen declaring in science and engineering is decreasing. If that continues, it leads one to wonder."
— COMPTON

Moreover, a disturbing proportion of engineering graduates in the United States are overseas students who take their skills with them when they return home.

And there is a shortage of teaching facilities to train the next generation of engineers for industry.

Frank Walter, immediate past president of SAE and director — corporate timing planning for Chrysler Motors, is clearly worried.

"We in the U.S. have to recognize that if we haven't fallen back to second-nation status, we're on our way," he said. "It's hard to wake people up to that fact."

Yet, as a key manufacturing industry, the automotive sector will become hamstrung in its effort to compete if it cannot attract and retain quality engineering personnel, as more and better-made products come from overseas.

All of which will have a long-term effect on employment.

Perot and other industry leaders fret that today's youth, enamored with making quick fortunes, are eschewing career paths in engineering and science for business and law degrees. This generation, some believe, is more intent on making its mark in corporate boardrooms, trading pits or courtrooms than at CAD/CAM screens or on shop floors.

The number of engineering graduates in the United States, compared with the number being trained in other countries, is a critical measure of what the future may hold.

"Right now, there is an ample supply of engineers," said W. Dale Compton, a senior fellow at the National Academy of Engineering in Washington and a former vice president of research for Ford Motor Co. "I don't think there is any great deficiency in numbers, but there is uncertainty about the future."

Robert Isenhour, senior vice president of United Research Co., a Morristown, N.J., consulting firm, said, "There is tremendous awareness of the pitfalls of the hollow corporation — one that has design, marketing and distribution on-shore and manufacturing off-shore. Manufacturing can be a very dramatic competitive weapon."

The number of bachelor's degrees in engineering rose 72 percent from 1970-71 to 1984-85, increasing from 44,898 to 77,154, according to the U.S. Department of Education. Business and management degrees more than doubled during that period, rising from 114,865 to 233,351.

However, in advanced degrees, the shift in emphasis was apparent. In 1970-71, there were 16,369 master's degrees awarded in engineering. Fifteen years later, the total was 20,926. Master's degrees in mathematics slumped from 5,191 to 2,882, while doctoral degrees in engineering declined from 3,637 to 3,221.

By contrast, master's degrees in business and management more than doubled, climbing from 26,481 to 67,527.

As the demographic bulge of the baby boom moves to post-college age, a downward trend in the numbers is expected, adding to future uncertainty.

"The number of people eligible for bachelor's degrees is decreasing and the number of freshmen declaring in science and engineering is decreasing," Compton said. "If that continues, it leads one to wonder."

Perhaps even more critical than where future students will come from is the question of who will teach them. A 1985 study conducted by the National Research Council on engineering education and practice in the United States concluded, "If there is one immediately pressing problem in engineering education, it is the current shortage of engineering faculty. Estimates of the severity of the shortage range from 1,567 to 6,700."

The report attributed the shortage to "the perceived unattractiveness of a teaching career relative to a career in industry." Contributing factors include pay and basic research facilities in education that are not on par with those found in industry.

The high percentage of foreign students receiving doctoral degrees in the United States also has a great impact on the pool of Ph.D.s available to teach in schools.

Perot, in his appearance at the Economic Club of Detroit, touched on that. "Go to our great engineering schools, go to MIT, go to Cal Tech and they're filled with Asians," he said.

"That's OK if those Asians happen to be U.S. citizens. But if you dig a little deeper, you're going to find that those are Asians from Asia who are going back to Asia, and I think that doesn't bode well for our future ability to invent."

Or to teach, according to the National Research Council study. Its report revealed that 1,179 of the 3,023 doctoral degrees awarded in 1983 went to foreign nationals. In addition, the number of foreign students studying for doctorates on temporary visas was up from 14 percent of all doctoral students in 1970 to 42 percent in 1983.

"Although foreign-born graduates of U.S. doctoral programs tend to go disproportionately into teaching (and in that sense have been the salvation of engineering education in recent years), the increase in the percentage of those who cannot stay in the United States threatens to dilute the advantage gained through increased Ph.D. output," the report said. "On this basis, the committee concludes that the pool of doctoral candidates should include a higher proportion of U.S. residents."

While Chrysler's Walter is impressed with the engineering and technical students of today, he noted, "I feel they are somewhat handicapped because our basic education isn't up to what it should be. They aren't oriented to work hard enough and long enough to be competitive. Other students around the world probably are better educated and used to working harder and longer. To me, it's a scary situation."

In addition to not preparing students properly, Walter faults primary and secondary education for failing to direct today's youth toward technical careers. "We're not attracting enough people to engineering and technical interests because we're not promoting sciences in basic education," he concluded.

Compton agreed: "We should be encouraging people very early in school and providing the opportunity to take more math and to be exposed more to sciences."

"Our great engineering schools . . . are filled with Asians. That's OK if (they) happen to be U.S. citizens. But . . . (they) are going back to Asia, and that doesn't bode well for our future ability to invent."
— PEROT

While basic education in the United States is considered to be lagging behind systems in other countries, there are few who fault the education that engineers are receiving at the college level.

The 1985 National Research Council study on engineering said: "The committee found a widespread opinion within industry that the competence of recently graduated engineers is higher than ever before. There is no evidence of a serious flaw in the basic technical education of entry-level engineers. On the contrary, the new engineers have strong analytical skills and an excellent theoretical base in engineering science."

The report added that industry finds that practical application of that knowledge is lacking. "Although this is not a new problem, it has been exacerbated by the trend toward fewer design or practice courses," the report said. "Often, additional training of six months to a year is required to acclimate the new engineer properly to the requirements of the job."

There is a trend toward refocusing educational programs to a more practical application of the discipline. Manufacturing is the chief beneficiary of that new approach.

"Based on the capital outlays on on-shore capacity, there will be a market for manufacturing and process engineering," United Research's Isenhour said. "Many large corporations have increased funding for engineering schools teaching exotic disciplines like robotics and automation."

David E. Cole, director of the Center for Automotive Studies at the University of Michigan, said that for a long time, manufacturing engineering was not held in high regard. "It was viewed as a second-hand discipline or a dirty-hands discipline," he said. "Emphasis on manufacturing is strong across the entire country. There is a dramatic increase in the process manufacturing role."

Walter said the nation has let itself fall behind in manufacturing. Only now is there an effort to catch up. "We have not totally recognized that design and production are a mutual process," he said.

Compton said part of the problem is that few engineering teachers have spent enough time in industry to develop a feel for the practical application of the discipline.

"Many engineers are graduating with an inadequate understanding of how engineering is done," he said. "Engineering is taught or is easier taught as a theoretical approach as opposed to the practice of a discipline. We have to convey to the student the practice of engineering."

That is especially true in manufacturing. "Academics have a long way to go to make a substantive contribution to manufacturing," Cole said. "It's a little too 'ivory tower.'"

He added that a number of programs, such as University of Michigan's Center for Research on Integrated Manufacturing, have been developed to bridge the gap between educational theory and industrial application.

Even though education and industry seem to be moving in the same direction on training, it has yet to be seen whether or not the United States will continue to turn out enough qualified and capable engineers to keep pace with the rest of the world.

"It's hard to say we need more engineers," said William Coleman, current SAE president and general manager of Eaton Corp.'s research and development center. "I'm sure some of the engineers in the (U.S.) industry aren't being used as efficiently as possible. Japan has many more times the engineers per 1,000 (population) and is using them effectively to catch up."

Compton agreed that the Japanese are ahead per-capita in educating engineers. But he countered, "It's not clear they are being utilized in a way that would be attractive to U.S. engineers."

Compton said he reached that conclusion several years ago after a tour of a Japanese assembly plant. Stopping at the hot test stand where engines are fired up and tested following assembly, he talked to the technician manning the position.

"I asked him how long he had been in the job, since I was interested in the Japanese concept of moving people around," Compton said. "He said seven years. I asked him what was his educational background and he said he was a graduate engineer. But he was doing what a technician would do.

see ENGINEERS, page 26

UNDERGRADUATE DEGREES, 1985

Country	Total	Engineering (number)	Engineering (% of total)
United States	990,877	77,871	6.9
Japan	373,302	71,396	19.1
West Germany*	57,153	8,068	14.1
United Kingdom*	73,841	10,577	14.3
France*	46,248	12,700	27.5
Soviet Union	853,900	334,970	39.0

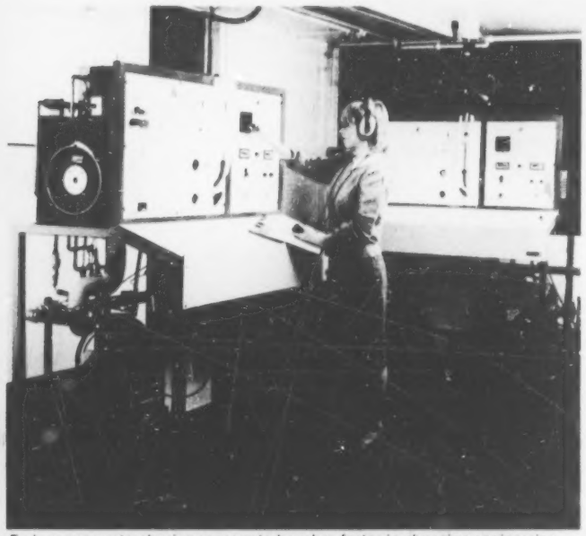
*1984 data.
SOURCE: 1987 update, International Science and Technology Data

U.S. ENGINEERING DEGREES

	Bachelor		Master		Doctor	
Year	Total	Foreign National (%)	Total	Foreign National (%)	Total	Foreign National (%)
1983	72,471	8.5	19,673	26.2	3,023	39.0
1978	46,091	6.7	15,736	22.7	2,573	34.0
1973	43,429	4.9	17,152	14.9	3,587	19.7

A "foreign national" is a non-U.S. citizen on a temporary visa.
SOURCE: Engineering Manpower Commission

"We're not attracting enough people to engineering and technical interests because we're not promoting sciences in basic education."
— WALTER



Early exposure to physics appears to be a key factor in choosing engineering

Women shun engineering careers

Ratio of females is 6%, far below other technical professions

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Although women comprise half the U.S. population, less than 6 percent of all engineers are women.

Since engineering is one path up the corporate ladder in the auto industry, it appears that women still have a long way to go before they occupy a significant portion of the top-echelon jobs in the automotive world.

The National Research Council's report on engineering education and practice in the United States noted the deficiency. It said: "The participation of women and minorities in engineering should be matters of continuing concern to the engineering community. There is still much to be done."

The study also said that "the percentage of women is markedly lower in engineering than in other science and technical fields. While some 20 percent of chemists and 29 percent of computer specialists, for example, are women, only 5.8 percent of engineers are women."

The latest figures from the National Science Foundation's Science and Technology Data Update show that the United Kingdom has the greatest percentage of women among scientists and engineers, with a rate of 2.7 percent of the workforce.

The United States was second at 2.4 percent of the workforce. As of 1982, there were 2,655,600 engineers and scientists in the United States. Of that number, 263,100 were women.

In Japan, on the other hand, less than one-half of one percent of the total number of scientists and engineers are women.

The situation is beginning to change, albeit slowly, in the United States, according to the National Research Council report.

"Given the traditional view of the engineering profession as a bastion of white males, the change in composition of the engineering student population in recent years has been dramatic," the report said. "The most noticeable change has been in the enrollment of women students, which has risen steadily in recent years from about one percent (in 1970) to 15 percent (1983-84) of the roughly 400,000 full-time undergraduate engineering students nationwide."

The study noted, however, that the increase in women engineering students appears to have leveled off during 1983 and 1984.

Just as the basic education system overall may be failing to prepare students for careers in engineering, that failure may fall disproportionately on women and minorities as well, the report said.

"For women, early exposure to physics in particular appears to be a key factor in the later choice of engineering as a course of study," the report said. "Poor preparation in science and mathematics limits the appeal of engineering to these groups and increases attrition among those who do study engineering, especially among minority students."

The report noted low enrollment by minorities. But it added, "The one exception to this low participation rate among minorities has been among Asian Americans. This group is represented in engineering schools at a disproportionately high level."

"While they make up one percent of the general population (of colleges), they account for 3.9 percent of engineering students. The group as a whole performs extremely well in engineering studies and tends to continue into graduate education at a higher rate than do other demographic groups," the report found.

Blacks, on the other hand, comprise 12 percent of the population, but accounted for only 4.4 percent of engineering enrollment.

The study concluded that the engineering community "should develop strategies to increase the size of the initial science/mathematics pool of minorities and women."

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ENGINEERS

FROM PAGE 24

Just training more (engineers) isn't necessarily the answer."

The United States continues to lead the world in the absolute number of engineers, but as a percentage of all fields, the popularity of engineering as a major course of study lags behind other countries.

According to the National Science Foundation's International Science and Technology Data Update for 1987, the United States awarded 77,871 bachelor's degrees in engineering during 1985. Japan had 71,396 bachelor's graduates in engineering.

The United States number represented only 6.9 percent of all fields, while in Japan, 19.1 percent of all graduates were engineers. Nearly 1 million bachelor's degrees were awarded in the United States during 1985 compared with 373,302 in Japan.

In West Germany, which recorded 57,153 undergraduate university degrees in 1984 (the latest year available), 8,068 (14.1 percent) were awarded in engineering.

That same year, the United Kingdom registered 10,577 (14.3 percent) of its graduates in engineering. France's 12,700 engineering graduates accounted for 27.5 percent of all degrees.

In a climate in which the auto industry is cutting costs by paring the white-collar workforce, it would appear that engineering would be affected as well. However, conflicting signals are emerging, even within the same organization.

Robert J. Eaton, GM vice president and group executive in charge of technical staffs, told Automotive News recently that GM will reduce spending on new technology and on research and engineering staffs as part of the company's overall cost-saving efforts. He said that the cuts will not be as extensive as in other operating units of GM.

Cole: "Academics have a long way to go to make a substantive contribution to manufacturing. It's a little too 'ivory tower.' "

On the other hand, Robert C. Stempel, executive vice president of GM's Truck and Bus Group and Overseas Group — and a product of GM's engineering ranks — said there will be a need for more engineers despite the cuts.

"The need for engineers is continuing to grow," Stempel said. "Don't confuse headcount with basic needs."

"There is a tremendous need for engineers," Chrysler's Walter said. "There's the perception by executives at the top of some auto companies that all the layoffs and plant closings mean there will be less of a need for engineers. That's the wrong interpretation.

"There is a transition process under way. There are fewer engineering jobs at the OEMs — they're getting lean and hungry. But they also depend more and more on suppliers for technology," Walter said.

"In my mind, the opportunities for engineering students are in the supplier industries. I feel very strongly that there are and will be more technological jobs."

Next week: Is the United States facing an innovation gap?

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Design swap to continue — Giugiaro

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Italian car designer Giorgio Giugiaro said the North American public has acquired a taste for European car designs and predicted that the exchange of manufacturing and design ideas between the two continents will continue.

Giugiaro, who has designed such cars as the Audi 4000, Lotus Esprit, Hyundai Pony and Renault Premier, said this exchange has enabled European and American designers to influence each other.

Giugiaro

He is visiting several U.S. cities to promote the new intermediate-sized Renault Premier, which will be introduced later this year.

Giugiaro said Ford Motor Co.'s Taurus/Sable and his own Renault Premier are examples of international cooperation.

Giugiaro, who spoke through an interpreter, said the Taurus/Sable have set a trend toward aerodynamic shapes in the United States just as the new Mercedes-Benz models have done in Europe.

He said the styling of the Premier could be popular in Europe.

Asked about the Premier's future if Chrysler Corp. acquires AMC, Giugiaro said: "I will adapt my design to any request. If Chrysler wants to change it, I would be glad to do it."

Chrysler Corp. Chairman Lee Iacocca has said that the Premier's chassis — which was designed by AMC engineers — was a "good fit" with Chrysler Motors.

Giugiaro said General Motors, which has been criticized for offering look-alike cars, must emphasize creativity in design.

"You must let the creative people do their job," he said.

As for the trend toward more aerodynamic design among other automakers, Giugiaro said he doubts that cars of the future will look alike and lack distinctiveness.

"You can say we're all the same because we have two eyes, a nose and a mouth," he said. "But we all have different personalities."

Domestic sales slip in Japan

TOKYO — Sales of domestically produced vehicles totaled 324,915 in April, a decline of 1.3 percent from April 1986.

It was the first drop in five months.

Import-car sales totaled 7,617 units, up 45.4 percent from the sales volume in same month last year.

According to the Japan Automobile Dealers Association, April's total included 227,225 cars, down 4.3 percent from a year earlier. Sales of trucks grew 6.3 percent and buses climbed 2.9 percent.

JADA said April was the 40th consecutive month that imported-car sales had increased over the year-earlier figure. Sales of imports from the United States totaled 298 units, an increase of 94.8 percent over the year-ago month.

IMPORT SALES BY MODEL

	April 1987	April 1986	4 Mos., 1987	4 Mos., 1986
ACURA	9,503	4,061	31,000	4,785
Integra	5,252	2,396	18,418	2,773
Legend	4,251	1,665	12,582	1,992
ALFA ROMEO	492	510	2,128	1,601
AUDI	4,901	5,870	11,434	21,735
4000S	325	1,229	1,523	4,544
4000CS Quattro	125	322	665	1,434
5000S	3,283	3,158	6,617	12,029
5000CS Turbo	663	530	1,206	1,242
5000CS Turbo Quattro	428	348	1,051	1,438
Coupe GT	77	283	370	1,048
BMW	8,409	8,415	27,486	26,991
318i	2	103	8	755
524 TD	1	229	23	871
325	4,898	5,267	18,459	18,055
528e	804	1,242	3,361	3,915
535i/535iS	1,254	897	2,725	2,237
6-Series	190	247	671	959
7-Series	1,156	630	1,970	2,199
M5	22	0	62	0
M6	80	0	207	0
CHEVROLET	10,657	15,177	39,971	49,866
Spectrum	6,383	8,561	24,317	27,577
Sprint	4,274	6,616	15,654	22,289
CHRYSLER/MITSUBISHI	10,226	10,616	39,888	46,106
Colt	6,584	7,232	25,132	33,353
Conquest	1,240	493	4,483	1,914
Vista	2,402	2,891	10,273	10,839
FORD FESTIVA	351	0	351	0
HONDA	20,448	37,691	84,263	139,069
Civic/CRX	8,021	22,491	36,436	77,145
Accord	7,779	9,118	28,895	36,207
Prelude	4,648	6,082	18,932	25,717
HYUNDAI	21,320	12,282	77,484	23,302
ISUZU	2,953	2,054	8,442	11,858
I-Mark	2,284	1,277	5,841	6,257
Impulse	669	777	2,601	5,601
JAGUAR	1,460	2,159	5,528	6,811
XJ6	1,140	1,780	4,141	5,500
XJS	320	379	1,387	1,311
MASERATI	60	144	240	537
MAZDA	13,020	9,986	53,300	71,988
323	4,751	2,897	20,307	23,641
626	5,143	4,335	21,311	32,170
RX-7	3,126	2,754	11,682	16,177
MERCEDES BENZ	7,731	7,759	29,851	30,336
190	1,583	1,737	6,388	7,473
260E	562	0	1,748	0
300	1,949	1,970	7,917	8,168
300SDL Turbo	587	533	2,348	714
420SEL	1,111	1,265	4,407	5,730
560SEL	532	937	2,163	3,047
560SL	1,109	1,090	3,964	3,752
560SEC	185	227	635	900
Tourist	113	0	281	552
MERKUR	541	1,110	2,656	4,836
MITSUBISHI	6,275	2,977	20,346	15,914
Starion	577	446	1,955	2,047
Cordia	429	327	1,412	1,731
Tredia	437	600	1,408	3,281
Mirage	1,189	709	4,835	3,867
Galant	1,183	895	4,264	4,988
Precis	1,820	0	4,277	0
Van/Wagon	640	0	2,195	0
NISSAN	29,087	37,276	148,539	138,938
Sentra	6,964	12,347	45,253	35,970
Pulsar	5,287	3,713	23,443	15,767
Stanza	4,348	2,460	21,985	14,567
Maxima	6,512	10,147	29,666	36,051
200SX	2,632	3,534	12,451	16,609
300ZX	3,133	4,812	14,738	18,930
Hawaii	211	263	1,003	1,044
PEUGEOT	700	1,088	2,961	4,493
PORSCHE	2,288	2,682	8,151	9,089
924S	276	0	858	0
944	526	1,650	1,928	5,681
944S	241	0	976	0
944 Turbo	258	0	919	0
911 Coupe	427	802	1,450	2,562
911 Turbo	151	0	463	0
911 Cabriolet	241	0	867	0
928S	168	230	690	846
RENAULT	1,162	580	2,301	1,545
18i	0	229	0	686
Fuego	0	351	0	859
Medallion	1,162	0	2,301	0
SAAB	3,149	4,485	13,912	14,685
900	675	1,396	2,906	4,455
900S	1,040	1,360	4,349	4,251
900 Turbo	603	736	2,658	2,454
9000S	298	0	949	0
9000 Turbo	471	927	2,845	3,322
Tourist	72	66	205	203
STERLING	1,621	0	4,199	0
SUBARU	12,102	15,393	47,045	63,792
Hatchback	545	1,441	2,535	6,003
3-Door	995	920	3,882	2,817
4-Door Sedan	2,951	4,987	11,588	20,177
XT	1,508	2,230	6,135	8,658
Station Wagon	5,307	5,815	20,026	26,137
Justy	796	0	2,879	0
TOYOTA	43,470	43,813	144,547	168,118
Corolla	8,210	8,843	27,691	37,423
Tercel	7,172	6,351	23,434	23,354
Celica	6,644	9,443	21,545	32,783
Supra	2,669	2,931	8,797	5,646
Camry	13,156	10,250	42,993	39,200
Cressida	1,989	2,737	6,946	9,694
Land Cruiser	321	188	1,290	1,182
Van	1,223	1,045	4,700	5,612
4Runner SR 5	110	518	424	2,368
MR2	1,555	2,087	5,358	8,926
Hawaii	381	420	1,369	1,930
VOLKSWAGEN	15,896	14,306	39,778	48,087
Cabriolet	1,581	1,649	4,438	4,926
Jetta	6,679	9,221	21,145	32,928
Vanagon	1,028	1,201	3,120	3,765
Quantum	551	1,097	1,966	3,290
Scirocco	701	1,138	2,317	3,178
Fox	5,356	0	6,792	0
VOLVO	10,255	10,018	42,479	41,477
240 Series	4,878	4,953	20,669	20,128
740 Series	4,213	4,055	16,938	16,487
760 Series	997	809	4,423	3,687
780	0	0	1	0
Tourist	167	201	448	1,175
YUGO	4,357	1,887	18,162	9,265
IMPORT TOTAL	242,394	252,339	906,442	956,204

Chrysler lining up European importers

By Knut Moberg
SPECIAL CORRESPONDENT

DETROIT — Chrysler Motors will reveal the names of its European importers at September's international auto show in Frankfurt, West Germany.

David W. Lowsley, director of international sales and development, confirmed that Norway is the only country in Europe where Chrysler products are presently sold. The Norwegian company is U.S. Import and Sales, a member of the Harald A. Moller Group that also distributes Volkswagen and Audi products in the country.

Lowsley reported strong interest in Chrysler products among would-be importers and dealers across Europe. "We have received lots of requests, and we believe we will announce many very interesting importers," he said.

He said it appears that many importers of Japanese cars are seriously looking at other cars to complement their Japanese lines. They will split risk and investment, he said.

Chrysler has everything ready for an aggressive sales start in Europe in the spring of 1988. Chrysler will establish a European liaison office close to Frankfurt, staffed by 8 to 12 people. It will be separate from the German import organization.

Alexander Demuth, of Corporate Communication in Frankfurt, will handle public relations.

Several models are being test-marketed in Europe, though the main volume is expected to be the Dodge Caravan/Plymouth Voyager minivans. In Europe, they will be sold with four-cylinder engines as the T125 and T130i in long-wheelbase and short-wheelbase versions.

Lowsley: There is strong interest in Chrysler products among importers and dealers across Europe.

The Chrysler LeBaron will be introduced as the C522i Turbo and 525i. The cars are to be tested on the market in Norway this year.

Lowsley noted, "We know that the cars are already on the gray market in Europe. But cars not imported by the Chrysler importers will carry U.S. names, so it will be easy to identify cars imported by the Chrysler organization and cars on the gray market. This is one of the reasons we have decided to have new names for the cars in Europe."

When Chrysler confirmed plans in March to return to Europe, it promised warranties "better than anyone else's." While Lowsley admitted setbacks in this area because of the different characteristics of the various national markets, he said Chrysler still hoped to offer "the best guarantee on the market for the drivetrain of the car."

AUCTION DATES

American Motors

May 19 — D-A Auto Auction, New Stanton, Pa.

May 20 — Minneapolis Auto Auction, Plymouth, Minn.

May 21 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

May 22 — St. Louis Auto Auction, Bridgeton, Mo.

May 26 — Statesville Auto Auction, Statesville, N.C.

May 27 — Columbus Fair Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

May 28 — Aptco Auto Auction, Taylor, Mich.; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

June 2 — D-A Auto Auction, New Stanton, Pa.

June 3 — Minneapolis Auto Auction, Plymouth, Minn.

Chrysler Corp.

May 19 — Florida Auto Auction of Orlando, Ocoee, Fla.; Southern Auto Auction, Warehouse Point, Conn.; Dallas Auto Auction, Grand Prairie, Texas; Aptco Auto Auction, Taylor, Mich.; Hatfield Auto Auction, Hatfield, Pa.; and NuCar-Prep System, Santa Fe Springs, Calif.

May 20 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

May 21 — Fredericksburg Auto Auction, Fredericksburg, Va.

May 22 — St. Louis Auto Auction, Bridgeton, Mo.

May 26 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; and Hatfield Auto Auction, Hatfield, Pa.

Used Car Sales
Auction Averages

May to date	$5,868
Month ago	$5,896
Year ago	$5,134

May 27 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Auto Auction, Plymouth, Minn.

May 28 — Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Golden Gate Auto Auction, Fremont, Calif.

Ford Motor Co.

May 19 — South Seattle Auto Auction, Kent, Wash.

May 20 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

May 21 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; St. Louis Auto Auction, Bridgeton, Mo.; and Minneapolis Auto Auction, Plymouth, Minn.

May 28 — 166 Auto Auction, Springfield, Mo.; Skyline Auto Exchange, Fairfield, N.J.; and Southwest Auto Auction, Phoenix, Ariz.

General Motors

May 19 — Harrisonburg Auto Auction, Harrisonburg, Va.

May 20 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

May 21 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

May 28 — Florida Auto Auction of Orlando (Orlando Extravaganza), Orlando, Fla.

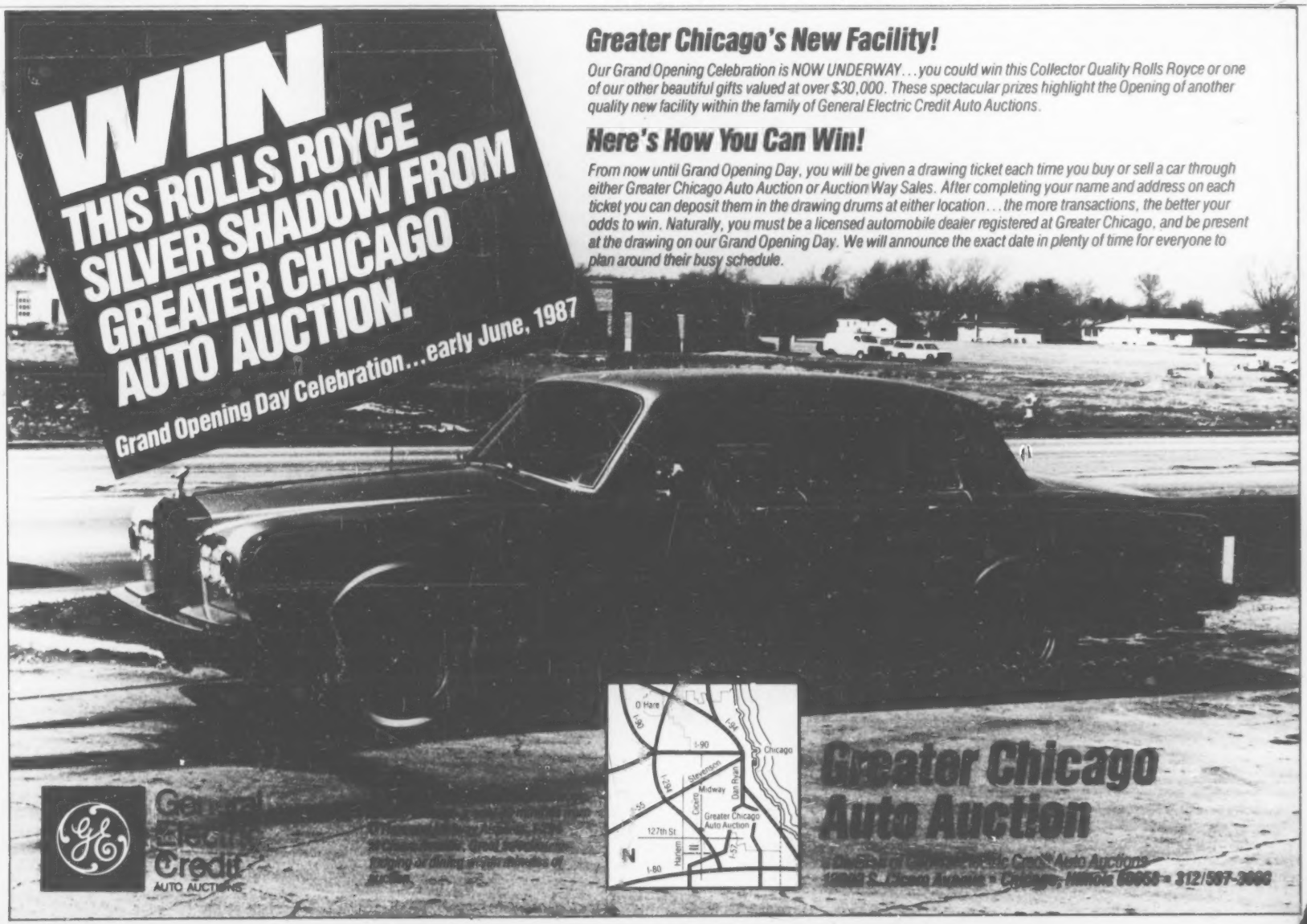
Model Breakdown
Auction Averages

	MAY 1987	APR 1987	MAR 1987
1987	$12,201	$13,266	$13,443
1986	$9,436	$9,460	$9,609
1985	$7,233	$7,236	$7,305
1984	$5,745	$5,732	$5,825
1983	$4,854	$4,842	$4,860
1982	$3,698	$3,727	$3,755
1981	$2,712	$2,635	$2,643
1980	$2,157	$2,170	$2,155
Overall Average	$5,868	$5,832	$5,829

Hildreth to head Tennessee board

NASHVILLE, Tenn. — Gov. Ned McWherter has appointed Frank Hildreth of Lenoir City, chairman of the Tennessee Motor Vehicle Commission. The appointment is for four years and runs concurrently with the term of the governor.

Hildreth has been in the automobile auction business for about 30 years. He owns and operates the Lenoir City Auto Auction.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THIS ROLLS ROYCE SILVER SHADOW FROM GREATER CHICAGO AUTO AUCTION.
Grand Opening Day Celebration...early June, 1987
Greater Chicago's New Facility!
Our Grand Opening Celebration is NOW UNDERWAY...you could win this Collector Quality Rolls Royce or one of our other beautiful gifts valued at over $30,000. These spectacular prizes highlight the Opening of another quality new facility within the family of General Electric Credit Auto Auctions.
Here's How You Can Win!
From now until Grand Opening Day, you will be given a drawing ticket each time you buy or sell a car through either Greater Chicago Auto Auction or Auction Way Sales. After completing your name and address on each ticket you can deposit them in the drawing drums at either location...the more transactions, the better your odds to win. Naturally, you must be a licensed automobile dealer registered at Greater Chicago, and be present at the drawing on our Grand Opening Day. We will announce the exact date in plenty of time for everyone to plan around their busy schedule.
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AUTOMOTIVE NEWS CHARLES M. THOMAS

Kazuo Tobiyama, left, Isuzu Motors Ltd. president, and Toshihiro Tajima, Fuji Heavy Industries Ltd. president

FUJI-ISUZU: *Japanese makers begin construction of $500 million auto plant in Indiana*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

LAFAYETTE, Ind. — Construction of a $500 million manufacturing facility to assemble Isuzu light trucks and Subaru passenger cars is under way here after groundbreaking ceremonies last week.

The plant will employ 1,700 workers when construction is finished in 1989. About 120,000 vehicles will be produced at the facility annually. Future plans call for doubling annual volume to 240,000 cars and trucks, depending on market conditions.

The venture is called Subaru-Isuzu Automotive Inc. (SIA). Isuzu Motors Ltd. owns 49 percent of the company and Fuji Heavy Industries Ltd. — maker of Subaru vehicles — owns 51 percent.

Fuji and Isuzu will split financing for the plant 50-50, said Toshihiro Tajima, Fuji president. Fuji will nominate the chief executive officer and oversee the operation, but there will be equal representation on the company's board of directors.

According to John E. Reilly, senior vice president and general manager of American Isuzu Motors Inc., the two companies will divide output equally with parallel assembly lines making trucks for Isuzu and cars for Subaru.

A new version of Isuzu's light utility vehicle will be introduced in 1990 and produced at the plant in addition to the Trooper sports-utility models.

PARTS

FROM PAGE 1

the authors of the report that Japanese parts makers are generally not worried about competition from U.S. parts manufacturers. "They are more afraid of each other," the report said.

It warned that Japanese parts and materials suppliers will move quickly to introduce not only new high-tech auto parts but also non-auto parts products and materials that have either been produced especially to meet U.S. demand or proved successful in the Japanese market.

"They intend to supply across industry lines, to penetrate deeply into sectors like electronics, aviation, machine tools and consumer goods," the report said.

Some of the biggest names in Japan's auto sector have roots in the Japanese pre-World War II military industrial complex. They are not adverse to supplying components and materials to the lucrative U.S. defense industry, the report said.

The study claims that Japanese auto parts firms are convinced that if they act slowly, their market shares will disappear. They feel that restrictive U.S. legislation will be passed, some of it designed to make investment difficult.

The rush to invest in U.S. light manufacturing is being propelled by a number of factors. The report said the factors include yen appreciation, the stagnant Japanese market, increased off-shore auto assembly, the threat of local-content legislation, lower materials costs and, in some cases, lower labor costs.

The study said that U.S. states with offices in Japan report "a flood of inquiries" from Japanese companies interested in U.S. investment. State and local governments from the United States continue to look for those inquiries. They hope for investment from Japanese parts makers while knowing that the excess capacity may well smother local U.S. manufacturers.

The report noted that for investment-desirability purposes, Japanese parts and materials suppliers rank the Northeast/Midwest states into three groupings. Group I (the most preferable): Illinois, Indiana, Kentucky and Ohio. Group II: Michigan, Missouri and Tennessee; and Group III: Pennsylvania and Arkansas.

The report said Japanese companies are increasingly interested in joint ventures with American companies because they provide quick access to the local market and fast introductions to the U.S. Big Three.

"Having a U.S. partner can reduce original investment while utilizing the partner's marketing channels and raw materials purchase know-how," the Commerce Department report said. "American engineering and development capability is still admired. Negative stereotypes of U.S. labor have improved, but U.S. unions and management are not regarded highly."

The report cautioned, however, that the current estimated life expectancy of such joint ventures is between six and eight years.

The Japanese industry view seems to be that U.S. automakers will cede some production capacity to them while maintaining responsibility only for marketing those parts.

"The authors believe it is a mistake to think that many Japanese parts makers are moving to the U.S. just because Japanese assemblers are doing so.

"The key is that they want to supply the U.S. Big Three, who have greater volume, are not as demanding as Japanese assemblers, and will not squeeze them on price," the study said.

The report offered a glimpse of Big Three efforts to source parts from Japanese companies.

- In May 1986, Ford established a special information office to gather technical, engineering, design and other information on Japan's auto industry. Last year, Ford purchased more than $300 million in parts from approximately 80 suppliers in the country.
- GM created the Japan-GM Cooperative Association as early as 1983. Currently, 84 of GM's 90 Japanese suppliers are members, and last year they rang up sales of $350 million in parts to 126 GM operating units.

"GM management clearly encourages outsourcing. Some estimates say that by the early or mid-1990s, GM will produce only about 60 percent of its parts in-house," the Commerce Department report said. It currently produces close to 80 percent of its own requirements.

The Commerce Department believes the big question is not *if* Japan will get the lion's share of GM's business, but *when*.

"There is much speculation in Japan about what will become of certain GM parts divisions," the report added.

The study quoted a leading Japanese business magazine: "GM's Inland Division had retained a leading Japanese bank for expected merger and acquisition activity and had developed a list of over 50 subsidiary firms in the Toyota, Nissan and Honda groups. Since 1986, GM has entered into joint ventures with Nihon Hatsujo, Akebono Brake and Nihon Radiator, while over 10 Japanese firms are considering possible GM relationships."

- A senior Chrysler Corp. executive hosted a gathering at a Tokyo hotel for 150 executives of the Mitsubishi Motors Group, the report said. He reportedly called on them to form joint ventures with Chrysler.

"Chrysler appears to be the most aggressive in seeking out single-sourcing deals for specific parts with individual Japanese suppliers," the report added.

On the MOSS (Market-Oriented, Sector-Selective) talks, the report said that the Ministry of International Trade and Industry and the Japanese auto industry still seem to believe the auto parts initiative is politically motivated, with no economic justification.

"MITI will continue to insist that price, quality and delivery are still the bottom line for the assemblers. They will take every opportunity in future talks to stress with case studies the continued, increasing outsourcing of parts by the Big Three," the report said.

The MOSS talks on auto parts are scheduled to conclude in late August.

New-car sales nosedive

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of new cars built in the United States plunged 36.45 percent during the first 10 days of May compared to the year-earlier period.

May 1-10 sales totaled 151,131 units compared with 237,800 in the 1986 period.

The daily sales rate tumbled to 18,891 units, its lowest level since mid-January. Daily deliveries during that period were 15,722 units. The daily sales rate was 26,608 units during April.

A market analyst at one of the U.S. automakers said the industry's sales rate on an annualized basis during this period last year was running at a very strong 8.7 million cars. The trend now is 7.3 million U.S.-built cars, he said.

None of the U.S.-based automakers posted a gain during the May 1-10 period. American Motors' sales were off 49.83 percent from last year, and General Motors' sales dropped 46.05 percent. Chrysler Motors dealers delivered 38.93 percent fewer U.S.-built cars this year than last.

Ford Motor Co. dealers, who have had relatively strong sales this year, delivered 21.37 percent fewer U.S.-built cars.

Sales by Volkswagen dealers fell 14.68 percent from year-earlier levels.

Honda sales in the first 10 days of May were 58.84 percent higher than those of a year earlier, and Nissan's were up 359.95 percent.

Toyota, which was not selling U.S.-built cars last year at this time, reported deliveries of 566 units during the 10-day period. Toyota's domestic production of Corollas began in September 1986.

DOMESTIC SALES

	May 1-10, 1987	May 1-10, 1986
Renault		
Alliance-Encore	570†	1,185†
AMC	150†	250†
American Motors	720	1,435
Chrysler	6,253	9,938
Plymouth	7,212	10,454
Dodge	7,098	13,280
Chrysler Motors	20,563	33,672
Ford	32,438	39,187
Mercury	10,050	15,239
Lincoln	3,707	4,327
Ford Motor Co.	46,195	58,753
Buick	9,878	22,060
Cadillac	6,262	9,256
Chevrolet	30,082	47,757
Oldsmobile	13,215	34,366
Pontiac	15,478	25,431
General Motors	74,915	138,870
Volkswagen	1,232	1,444
Honda	5,137	3,234
Nissan	1,803	392
Toyota	566	0
U.S. Industry Total	151,131	237,800

†—Estimate

Saab sales dip after 60 records

All winning streaks come to an end and Saab Scania of America's streak was no exception. After 60 months of record sales in the United States, Saab's luck ran out in April.

Saab's April sales were down 1,336 units from the same month in 1986. Sales for the month totaled 3,149 compared with 4,485 last year.

A Saab spokesman was philosophical about the drop, saying the company really expected it to happen sooner or later.

Because of the April dip, Saab's U.S. sales are down 5.26 this year. The four-month total was 13,912, compared with 14,685 in 1986. But the company is still predicting 50,000 sales for 1987, up from 48,181 lat year.

Saab is not the only one down for the year. Most of its European competitors in the higher-priced segment are down, with the exception of Alfa Romeo and Volvo.

Import stocks reach record levels in May

Stocks of unsold new imported cars and trucks in the United States were at record highs May 1.

Inventories of cars in dealers' hands and in transit rose to 567,879 units from 539,759 on April 1, the previous any-month high. The stockpile was the equivalent of a 61-day supply, up from a 57-day supply a month earlier.

On May 1, 1986, the car stockpiles consisted of 346,487 units, equal to a skimpy 38-day supply.

The inventory of imported trucks totaled 238,832 units and, like cars, set a record high for the second month in succession. On April 1, there were 222,158 trucks in stock.

The May 1 truck supply equalled a 67-day supply, compared with 65 days in April and just 48 days on May 1, 1986, when the supply was 156,930 units.

The May 1 car-truck inventory of 806,711 units was equal to a 63-day supply compared with 761,917 units and a 59-day supply April 1.

As of May 1, 65.64 percent of imported-car stocks came from Japan, 20.31 percent from Germany and 14.05 percent from other countries.

IMPORT DAYS' SUPPLIES

	May 1, 1987	Apr. 1, 1987	May 1, 1986
Spectrum	131	126	114
Sprint	138	156	65
Chevrolet	134	137	93
Chrysler Corp.	93	87	66
Acura	41	44	25
Honda	12	11	8
Isuzu	104	161	84
Mazda	66	55	28
Mitsubishi	48	43	37
Nissan	90	62	44
Subaru	115	110	28
Toyota	27	16	13
JAPAN	61	55	32
Audi	116	248	92
BMW	64	64	34
Mercedes-Benz	38	34	18
Merkur	144	49	105
Porsche	82	68	50
VW	84	130	70
GERMANY	75	92	55
Alfa Romeo	124	53	37
Festiva	156	0	0
Hyundai	22	20	0
Jaguar	31	33	26
Peugeot	89	95	69
Renault	283	210	112
Saab	81	63	46
Sterling	45	30	0
Volvo	55	46	32
Yugo	39	34	45
Other Countries	46	39	54
Total Import Cars	61	57	38
Isuzu	74	86	66
Mazda	77	71	32
Mitsubishi	69	70	23
Nissan*	79	84	64
Range Rover	37	0	0
Suzuki	14	16	20
Toyota	61	48	39
Chrysler	97	89	80
Total Imp. Trucks	67	65	48
Total Imp. Vehicles	63	59	40

*Includes domestic trucks.

PRODUCTION

GM closings cut output

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

With several General Motors plants idle, last week's targeted domestic auto production was the lowest of any five-day work week this year.

Production of 150,378 cars was 7.40 percent below the previous week's 162,404 and 8.61 percent lower than the year-ago week's 164,546.

Last week's scheduled output was shared as follows: GM, 45.40 percent; Ford Motor Co., 28.46 percent; Chrysler Motors, 15.49 percent; Honda of America Manufacturing Inc., 4.46 percent; New United Motor Manufacturing Inc., 2.66 percent; Nissan Motor Manufacturing Co. U.S.A., 1.97 percent; Volkswagen of America, 1.06 percent; and American Motors, 0.50 percent.

Two GM plants closed today (May 18) for inventory adjustment. They are: Pontiac Fiero in Pontiac, Mich., affecting 850 workers, and the Willow Run, Mich., plant affecting 4,800 workers.

Both plants are scheduled to resume operations on May 26.

GM laid off 2,100 second-shift workers at its Doraville, Ga., plant today. The layoff is for changeover to the new GM10 cars. The shift is not expected to be called back until Nov. 30.

Other GM plants down last week were Buick City in Flint, Mich.; Wentzville, Mo.; and Tarrytown, N.Y., all for inventory adjustment; and Arlington, Texas; and Fairfax, Kans., both for model changeover.

GM's Lakewood, Ga., assembly plant resumed production today. The plant had been idle since Dec. 23 for model changeover.

Lakewood previously built the Chevrolet Chevette and Pontiac 1000. It now assembles Chevrolet Caprice sedans and wagons, Buick LeSabre wagons and Pontiac Safari wagons.

Saturday (May 16) overtime was slated for GM's Lansing, Mich. (No. 1) plant.

Ford scheduled Saturday overtime at its Lorain, Ohio, and Kansas City, Mo., plants.

Chrysler's Sterling Heights, Mich., and St. Louis (No. 2) plants were slated for Saturday overtime.

Daily overtime is scheduled this week at Chrysler's Newark, Del.; St. Louis (No. 1); and Sterling Heights plants.

Truck production highest of year

Truck manufacturers scheduled their highest output of the year last week.

Estimated production of 81,960 was 3.05 percent more than the previous week's 79,531 and 5.06 percent more than the year-ago week's 78,013.

Saturday (May 16) overtime was slated at five General Motors plants: Baltimore; Detroit; Lordstown, Ohio; Flint, Mich.; and Pontiac, Mich. (medium-duty line).

Ford Motor Co. scheduled Saturday overtime at its Norfolk, Va., plant.

Canadian auto build moves up

Canadian auto production was estimated at 16,652 cars last week, 38.95 percent more than the prior week's 11,984 but 28.17 percent below the year-ago week's 23,184.

So far this year, 315,138 cars have been built, 29.82 percent below the 449,063 completed last year at this time.

Truck production was scheduled at 17,667 units last week, slightly (0.38 percent) below the previous week's 17,735 but 3.91 percent more than the year-ago week's 17,003.

Year-to-date, 311,697 units have been assembled, 15.19 percent below the 367,537 built last year at this point.

CANADIAN CAR	Week Ended May 16, 1987	Week Ended May 17, 1986	Week Ended May 9, 1987	May to Date	Jan. 1 to May 17, 1986	Jan. 1 to May 16, 1987
AMERICAN MOTORS	100	116	88	206	2,357	2,475
FORD MOTOR	11,547	11,397	11,353	25,211	218,682	205,001
GENERAL MOTORS	4,480	11,446	0	5,589	223,778	102,124
HONDA	300	0	318	672	0	1,533
VOLVO	225	225	225	495	4,246	4,005
Total Cars, Canada	16,652	23,184	11,984	32,173	449,063	315,138

U.S. TRUCK☆	Week Ended May 9, 1987	Week Ended May 10, 1986	Week Ended May 2, 1987	May to Date	Jan. 1 to May 10, 1986	Jan. 1 to May 9, 1987
CHEVROLET	25,400	23,830	21,549	51,690	479,078	429,146
DODGE	4,400	2,603	6,708	12,073	11,289	94,093
FORD	32,682	32,567	31,281	70,244	574,160	582,121
GMC	8,787	7,697	9,249	19,738	143,163	145,500
NAVISTAR	1,671	1,623	1,656	3,660	29,428	29,050
JEEP	3,500	3,389	4,548	9,934	76,123	83,576
NISSAN	1,770	3,954	1,790	3,924	41,386	31,809
AM GENERAL*	450	50	450	990	972	3,300
MISCELLANEOUS*	2,300	2,300	2,300	5,060	43,900	41,400
Total Trucks, U.S.	81,960	78,013	79,531	177,312	1,399,499	1,440,075

CANADIAN TRUCK	Week Ended May 16, 1987	Week Ended May 17, 1986	Week Ended May 9, 1987	May to Date	Jan. 1 to May 17, 1986	Jan. 1 to May 16, 1987
AMERICAN MOTORS	750	710	777	1,682	8,229	12,285
CHRYSLER	8,494	7,784	8,634	18,829	169,789	159,372
FORD	3,648	3,652	3,145	7,506	69,055	60,226
GENERAL MOTORS	4,560	4,636	4,965	10,561	116,545	76,169
NAVISTAR	215	221	214	479	3,919	3,645
Total Trks., Canada	17,667	17,003	17,735	39,047	367,537	311,697
N. Am. Trucks	99,627	95,016	97,266	216,360	1,767,036	1,751,772

—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended May 16, 1987	Week Ended May 17, 1986	Week Ended May 9, 1987	May to Date	Jan. 1 to May 17, 1986	Jan. 1 to May 16, 1987
AMERICAN MOTORS	750	2,073	923	1,826	20,552	13,072
Renault Total	750	2,073	923	1,826	20,552	13,072
Alliance	750	1,857	923	1,826	17,927	13,072
Encore	0	216	0	0	2,525	0
CHRYSLER MOTORS	23,300	26,021	23,289	51,473	549,362	450,771
Plymouth Total	5,100	9,065	5,543	11,826	159,280	145,016
Horizon	0	3,998	0	0	61,383	32,997
Sundance	1,600	0	1,794	3,839	0	41,381
Reliant	2,200	3,870	2,317	5,013	69,583	47,381
Caravelle	1,100	788	1,171	2,471	21,696	22,009
Gran Fury	200	409	261	503	6,618	1,248
Chrysler Total	9,900	6,551	9,278	21,199	185,783	141,111
Laser	0	780	0	0	20,726	0
LeBaron K	1,400	2,203	1,510	3,371	46,965	33,526
LeBaron J	4,700	0	3,303	8,805	0	43,497
LeBaron GTS	800	0	897	1,910	26,930	16,468
N. Yorker/E-Class	1,500	1,415	1,635	3,517	37,467	33,976
Fifth Avenue	1,500	2,153	1,833	3,596	53,695	13,644
Dodge Total	8,300	10,405	8,468	18,448	204,299	164,644
Daytona	1,700	1,202	1,650	3,675	20,776	20,592
Omni	0	3,464	0	0	60,586	28,363
Shadow	1,900	0	2,166	4,578	0	40,128
Aries	3,000	3,126	2,826	6,315	51,224	43,940
Dodge 600	900	1,807	960	2,046	34,189	19,345
Lancer	500	0	578	1,187	24,637	10,460
Diplomat	300	806	288	647	12,887	1,816
FORD MOTOR	42,794	39,009	39,267	90,038	718,537	766,638
Ford Division	30,933	27,555	28,062	64,624	492,259	535,200
Escort	9,200	7,922	7,508	18,139	157,772	140,928
Mustang	4,530	4,530	4,561	9,981	79,419	84,248
Tempo	4,560	4,405	3,968	9,287	81,028	75,141
Taurus	7,876	7,011	7,971	17,449	105,789	172,585
Thunderbird	4,767	3,687	4,054	9,769	68,251	62,298
L-M Division	11,861	11,454	11,205	25,414	226,278	231,438
Mercury Total	7,761	7,764	7,105	16,394	153,643	160,519
Lynx	254	1,455	252	635	25,685	18,656
Capri	0	0	0	0	6,139	0
Topaz	1,740	1,031	1,532	3,543	24,841	23,768
Cougar	3,169	2,455	2,723	6,519	46,929	63,719
Sable	2,598	2,823	2,598	5,696	50,049	54,376
Lincoln Total	4,100	3,690	4,100	9,020	72,635	70,919
Continental	410	407	410	902	8,225	7,101
Lincoln	3,074	2,767	3,076	6,765	54,485	53,188
Mark VII	616	516	614	1,353	9,925	10,630
GENERAL MOTORS	68,274	87,882	84,992	170,445	1,772,229	1,472,457
Buick Total	4,646	17,232	12,799	20,369	298,770	229,927
Skyhawk	67	1,710	0	67	34,860	13,780
Century	1,990	5,317	4,192	7,204	99,167	73,435
Regal	1,200	2,053	1,131	2,551	21,736	17,485
Somerset/Skylark	1,140	2,060	1,146	2,655	40,720	29,896
LeSabre (fwd)	0	3,495	3,641	4,295	44,770	44,079
LeSab./Elec. (rwd)	8	347	2	104	5,517	4,833
Electra (fwd)	0	1,521	2,424	2,939	42,730	39,572
Riviera	241	729	263	555	9,270	6,847
Cadillac Total	5,506	8,159	5,313	12,068	127,808	120,538
Cimarron	200	625	189	436	10,628	6,299
Allante	135	0	124	286	0	1,288
Brougham (rwd)	2,880	2,412	2,885	5,992	34,720	33,516
DeVille (fwd)	1,200	3,760	1,139	3,121	65,593	63,223
Eldorado	573	672	521	1,180	9,152	6,819
Seville	518	690	455	1,052	7,715	9,393
Chevrolet Total	30,468	25,650	33,641	70,556	567,660	556,400
Chevette	0	2,233	0	0	45,101	0
Camaro	2,301	2,857	1,901	4,717	83,224	40,468
Cavalier	8,120	8,433	7,562	17,222	169,142	141,918
Celebrity	8,368	5,530	8,118	18,027	118,607	144,109
Corsica/Beretta	7,250	0	7,134	15,636	0	104,367
Monte Carlo	1,650	2,181	2,451	4,486	46,358	29,354
Chevrolet	2,139	3,776	5,828	9,051	94,471	86,617
Corvette	640	640	647	1,417	10,757	11,567
Oldsmobile Total	13,166	20,308	16,859	33,278	448,880	278,447
Firenza	54	650	0	54	19,790	3,465
Calais	3,660	1,733	3,656	7,946	52,955	46,828
Cutlass Ciera	4,734	4,883	4,664	10,132	108,475	71,340
Cutlass Supreme	1,170	1,930	2,572	4,365	71,482	28,382
88 (fwd)	1,934	8,328	4,074	6,828	132,110	80,350
88 (rwd)	376	516	446	913	8,999	7,366
Olds 98	720	1,745	904	1,887	45,382	30,359
Toronado	518	523	541	1,153	6,687	6,759
Pontiac Total	14,488	16,533	16,360	34,173	329,111	285,145
Acadian*	0	642	0	0	6,131	0
Fiero	1,200	1,415	1,007	2,442	31,107	15,155
1000	0	1,128	0	0	11,128	0
Firebird	1,600	1,521	1,329	3,278	44,511	30,994
2000 Sunbird	2,343	2,909	2,249	5,083	58,612	45,573
Grand Am	6,220	4,601	6,203	13,486	87,358	99,577
6000	0	3,234	2,168	2,676	60,404	32,135
Bonneville	3,125	0	3,140	6,993	0	56,863
Safari/Parisienne	0	1,083	264	316	31,860	4,848
HONDA	6,700	3,960	6,839	14,860	72,061	125,836
Civic	1,741	0	1,476	3,571	0	38,899
Accord	4,959	3,960	5,363	11,289	72,061	86,937
NISSAN	2,980	0	2,942	8,496	21,517	53,453
NUMMI	4,000	3,600	4,152	8,985	69,508	73,234
Corolla	750	0	859	1,769	0	14,868
Nova	3,250	3,600	3,293	7,216	69,508	58,366
VOLKSWAGEN	1,600	2,001	0	1,600	34,666	27,527
Golf/GTI	1,350	2,001	0	1,350	34,666	22,827
Jetta	250	0	0	250	0	4,700
Total Cars, U.S.	150,378	164,546	162,404	345,722	3,258,432	2,982,986
Total Cars, Canada	16,652	23,184	11,984	32,173	449,063	315,138
N. American Cars	167,030	187,730	174,388	377,895	3,707,495	3,298,126
N. Am. Trucks	99,627	95,016	97,266	216,360	1,767,036	1,751,772
North American Cars and Trucks	266,657	282,746	271,654	594,255	5,474,531	5,049,898

*—All Asclans are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Ford to sell California Ranger in all states

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division will offer its Ranger GT pickup in all states for the 1988 model and will call it the Ranger STX. The GT now is available only on the West Coast.

The company also is upgrading all its STX trucks and expanding the High Rider Ranger model to several series, according to Beryl S. Stajich, Ford Division compact truck marketing plans manager.

The upshot is that Ford expects its STX models to account for 15 percent of Ranger sales in the 1988 model year, up from 12 percent this year and 10 percent in 1985.

Stajich disclosed the product plans following a press briefing in which General Tire announced that it has been selected to supply its XP 2000H high-performance tires for the 1988 Ranger STX two-wheel-drive pickups.

It is General Tire's first original-equipment contract for its XP 2000 series.

General Tire currently supplies its Grabber light-truck tire line to various OE accounts, according to Joseph J. McCarthy, General Tire vice president, original equipment.

The company supplies 12 percent of all Ford car and truck tires, said Donald L. Botka, the company's account executive on Ford. It also has 17 percent of all General Motors' car and truck business and about 65 percent of Nissan's pickup truck and Sentra car business in Smyrna, Tenn.

Meanwhile, Stajich said that for 1988, Ford Division will make all Ranger GT suspension components (wheels, tires, etc.) available nationally on the new STX model.

"It has a beefed-up stabilizer bar, beefed-up shocks and high-performance tires that we haven't had in the past," Stajich said.

He compared the truck's handling characteristics to those of a Corvette.

The STX currently is offered in 2wd and 4wd versions. The 1988 vehicle will be basically a new 2wd version of the STX.

The STX currently has the appearance, but not the handling, it will have next fall, Stajich said.

All 4wd STX models are essentially High Riders, a new concept that Ford introduced in 1987.

For the 1988 model year, Ford is upgrading High Rider models by going from P215 to P235 tires, which Stajich described as a "quantum leap."

It will also make the High Rider package — which includes a 1½-inch lift, the P235 tires and deep-dish cast aluminum wheels — available on XLT and Custom base-model Rangers, as well as on high-line STX-trim-level models.

"Our concept originally was to take the sport theme that started as test project on the West Coast in 1985 and use it to change the work-truck image of the Ranger," Stajich said.

Ford added two-tone paint on the lower rocker panels on its first West Coast STX test models. In 1987, it made that two-tone paint standard all the way down to its XLT series Rangers and also offered it on the Custom base model.

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MG revival a dream of Rover Group

Chrysler solicited, but isn't interested

By Jake Lucas
SPECIAL CORRESPONDENT

LONDON — A plan to develop a modern MG sports car for the North American market has been proposed to Chrysler Motors.

The idea is for the car to be built by Britain's Austin Rover Group, owner of the MG marque and manufacturer of the Sterling sedan. The low-priced two-seater would be designed by the engineering division of Group Lotus, and Chrysler would market it primarily in the United States.

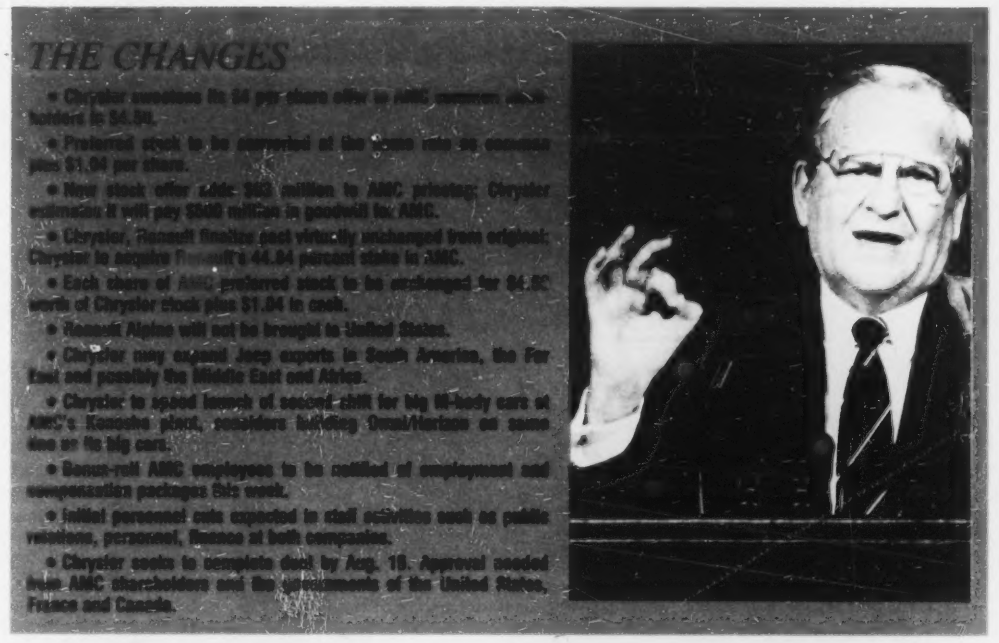
But top Chrysler officials say the plan, revealed last week by The Times, of London, is no longer current. Michael N. Hammes, vice president, international operations at Chrysler Motors, said, "There have been several serious considerations along those lines but they are not going on at this time. Six, eight or nine months ago, there would have been reason to duck (that question)."

He did, however, acknowledge that a joint project is seriously being discussed with "a major European automotive manufacturer." Hammes added, "It would be a vehicle-making venture. They (the discussions) are not along the lines of an equity relationship with the parent company."

Rover Group Chairman Graham Day recently reported a record loss of $1.5 billion for 1986 **(See story, Page 2)**. Capacity is still greatly under-utilized, despite assembly ties with Honda of Japan, and a

see REVIVAL, page 6

The Chrysler-AMC Deal



THE CHANGES

- Chrysler sweetens its $4 per share offer to AMC common stockholders to $4.50.
- Preferred stock to be converted at the same rate on common plus $1.04 per share.
- New stock offer adds $463 million to AMC pricetag; Chrysler estimates it will pay $640 million in goodwill for AMC.
- Chrysler, Renault finalize pact virtually unchanged from original; Chrysler to acquire Renault's 44.84 percent stake in AMC.
- Each share of AMC preferred stock to be exchanged for $4.50 worth of Chrysler stock plus $1.04 in cash.
- Renault Alpine will not be brought to United States.
- Chrysler may expand Jeep exports in South America, the Far East and possibly the Middle East and Asian.
- Chrysler to speed launch of second shift for big M-body cars at AMC's Kenosha plant, considers building Omni/Horizon on same line as its big cars.
- Bonus-full AMC employees to be notified of employment and compensation packages this week.
- Initial personnel cuts expected to start activities such as public relations, personnel, finance at both companies.
- Chrysler seeks to complete deal by Aug. 19. Approval needed from AMC shareholders and the governments of the United States, France and Canada.

Alpine killed but Jeep rosy

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

SAVANNAH, Ga. — As the Chrysler Motors-American Motors merger nears finalization, Chrysler has aborted plans to import the Alpine sports car and is planning to increase worldwide distribution of Jeep.

Chrysler Vice Chairman Bennett E. Bidwell said last week that Chrysler has cancelled plans by American Motors to begin importing this fall the mid-engine, two-seat Alpine.

In addition, Chrysler Motors Executive Vice President for Manufacturing Richard Dauch said that Chrysler will accelerate introduction of a second shift

see ALPINE, page 58

AMC, Chrysler dealers to mesh

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

SAVANNAH, Ga. — The financial success of the Chrysler Motors-American Motors marriage depends on Chrysler's ability to cross-breed products and sell them in both sets of dealer showrooms in the 1990s.

Chrysler Vice Chairman Bennett E. Bidwell said such crossbreeding of the Chrysler-Renault-AMC car and truck lines will not immediately follow the acquisition, but will be crucial to long-term success.

Chrysler and Renault last week reached a final agreement on Chrysler's bid to acquire Renault's 44.84 percent stake in AMC. The AMC board of directors

see DEALERS, page 59

GM trims car build for third quarter

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors has scheduled extended shutdowns for the traditional summer model changeover at nine of its U.S. assembly plants, which will pull third-quarter car production 11 percent below last year's.

In addition, four of GM's U.S. assembly plants are closed now for major retooling for products new to those plants.

GM plans to produce about 740,000 cars in the United States during the third quarter, an 11 percent decline from the 828,299 it produced in the third quarter of 1986.

Production will be cut by extending the changeover periods for the 1988 models at several plants. Some of the model changeovers are scheduled to last four to six weeks. A two-week to three-week changeover period is typical.

The significant cut in third-quarter production is apparently an effort to avoid an inventory buildup before the start of the 1988 model year. Such a buildup would force GM to offer massive sales incentives to clear out the end-of-year models. Late in the 1986 model year, GM dealers had a million cars in inventory and GM offered what it dubbed "The Big One," the across-the-board 2.9 percent financing program.

There is no word on what kind of cleanup program GM will offer

see GM, page 6

Mr. President

Big Three leaders see sales falling 1.3 million for 1987

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

Presidents of the nation's three largest auto companies agree that industrywide new-car and truck sales in 1987 will drop — by more than 1.3 million units, or some 9 percent, below record year 1986, if their forecasts are averaged.

The forecasts — by General Motors' F. James McDonald, Ford Motor Co.'s Harold A. Poling and Chrysler Motors Corp.'s Harold K. Sperlich — call for 1987 calendar year sales of 15.0 million vehicles, comprised of 10.3 million cars and 4.7 million trucks.

Last year's record total of 16,333,931 sales included 11,463,092 cars and 4,870,839 trucks.

The forecasts by the Big Three's chief operating officers were made during exclusive Automotive News interviews that appear in this week's "The Presidents" Extra, a special section beginning after Page 36.

Other company presidents interviewed were: Noel

Phillips, Volkswagen of America; Kan Higashi, New United Motor Manufacturing Inc. (NUMMI); Shoichiro Irimajiri, Honda of America Manufacturing; and Marvin T. Runyon, Nissan Motor Manufacturing Corp. U.S.A.

McDonald, whose forecast is the most optimistic of the Big Three, said, "We haven't changed our outlook for this year. We still think it's going to be a 15.2 million to 15.4 million total vehicle year — 10.6 million cars and 4.7 million trucks."

see PRESIDENTS, page 36

GM names new president; Stempel takes job Sept. 1

Robert C. Stempel, who kept a low profile while methodically cleaning up General Motors' truck, bus and international operations, was rewarded by being named GM president, effective Sept. 1.

Stempel will succeed F. James McDonald, who will be 65 Aug. 3.

GM Chairman Roger B. Smith chose Stempel over Executive Vice President Lloyd E. Reuss after the two had twice been promoted together and had been obvious rivals for top spots at GM. Now Reuss will add Stempel's Truck and Bus duties to his North American Passenger Car Operations and Reuss will report to Stempel.

GM also named Donald J. Atwood, 63, vice chairman, effective immediately. The post had been vacant since last December.

Stempel, a 53-year-old engineer, ran Chevrolet and Pontiac and the Buick-Oldsmobile-Cadillac Group before becoming executive vice president — Truck, Bus and International in 1986.

As executive vice president, Stempel presided over GM's withdrawal from the money-losing bus and heavy-truck businesses. Light-truck sales and international operations have gained.

Conversely, Reuss may have been hurt by GM's lackluster performance in the U.S. car market, where sales and market share have slipped and GM has been criticized for look-alike cars.

Atwood will continue to head several technical staffs. Elmer W. Johnson was elected executive vice president and a director. Harry J. Pearce succeeds Johnson as general counsel.

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Chrysler tests Mitsubishi as separate franchise — Page 2

GM can't shake Perot buyout — Page 3

Japanese firms invade U.S. parts industry — Page 18

Angry shareholders blast GM's leaders

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors shareholders last week expressed strong dissatisfaction with the manner in which GM leaders are conducting the corporation's business.

The unrest was evidenced in the vote on several shareholder proposals at the annual stockholders' meeting here, especially one relating to the buyout of H. Ross Perot last December.

That proposal opposed the payment of "greenmail." It was backed by 20.1 percent of the shares voted, the highest vote for a shareholder proposal since GM began keeping such records in the 1940s. A "yes" vote of 5 percent on a shareholder proposal is considered above average.

But that wasn't all. Four other shareholder motions received 9.2 percent to 10.9 percent of the shares voted. The affirmative vote on each of those proposals equaled or exceeded the previous record of 9.2 percent that favored a 1986 motion that GM get out of South Africa.

It was a lively meeting. As expected, GM Chairman Roger B. Smith faced tough questions relating to the $700 million buyout of Perot, plant closings and alleged mismanagement of the company.

Stockholders entering the Fisher Theater for the meeting last Friday encountered a group of about 15 picketers — mostly UAW members — chanting "Jobs, jobs, jobs," and "Stop layoffs, stop the payoffs, fire Roger Smith."

Inside, union members and representatives of consumer advocate Ralph Nader called for Smith's resignation for closing plants, the Perot buyout and for the $169 million in bonuses paid to GM executives when workers received no profit sharing.

The Perot affair culminated last December. He had joined the GM board of directors in 1984 when GM bought his Electronic Data Systems for $2.5 billion. Perot became a critic of GM management, and was asked to resign from the board last December. Perot did so and received $700 million for his GM Class E stock; some of his EDS associates received another $50 million. The payout was about twice the market value of the stock.

The shareholder resolution at last week's meeting asked that no "greenmail" payments be made at prices more than 5 percent above the market value of GM stock unless the same offer was made to all shareholders.

As noted, four other shareholder proposals received a much higher than normal share of the votes cast.

One called for restoration of limited pre-emptive rights to shareholders. It was favored by 9.2 percent of the shares voted. Two asked GM to cease dealings in South Africa because of that nation's apartheid policies. Each won 10.8 percent of the votes. The other sought that changes in GM's by laws be approved by a majority of shareholders. That position was backed by 10.9 percent of the shares voted.

A company proposal changing the terms of the GM incentive compensation plan for executives was approved by 95.2 percent of the shares voted.

At the meeting, shareholders elected 19 directors, including 12 non-employee directors, six GM officers and former GM chairman Thomas A. Murphy, who was asked to stay another year beyond the retirement age of 70. No replacement was nominated for Catherine B. Cleary, who reached the mandatory retirement age.

Nominations for the board from the floor of the meeting included Perot and former presidential candidate Gary Hart.

In response to shareholder questions, Smith disclosed that 1986 worldwide advertising expenditures were was $1.12 billion compared with $1.04 billion in 1985; 1986 fees paid to directors were $766,000; and 1986 charitable contributions were $61.5 million.

In has address to the stockholders, Smith praised GM's dealers. "Our dealers are partners in our business — along with our suppliers — and their success is absolutely vital to our own," he said.

Smith said GM's 10,200 U.S. dealers have total assets of about $30 billion.

He said GM's "dealer-partners" are the company's "crucial connection" to its customers and GM wants its customers "to be more satisfied" than any others in the world, because "satisfying the customer is fundamental to our business."

Smith told the meeting that GM is "moving forward on a number of programs" to help it improve the quality of service they (dealers) provide and that in 1986 GM "provided 300,000 man-days of training, an average of three days' training for every service technician in our dealerships."

Three times in his address Smith referred to GM's dealers as partners and emphasized that GM and its dealers "working as a team," are gearing up to battle the toughest competition ever.

"Together we represent the strongest force in the industry," Smith said.

Smith said GM is redirecting its expenditures from plant facilities to automotive products. He said that automotive capital expenditures, which totaled $10.6 billion in 1986, will be reduced to less than $8 billion in 1987 and about $6 billion in 1989 and beyond.

Product spending in the 1986-89 period "will be higher than any other four-year period in recent GM history," he said.

GLENN TRIEST PHOTOS

Stockholders attending the meeting encountered a group of picketers chanting "Jobs, jobs, jobs" and "Stop layoffs, stop the payoffs, fire Roger Smith."

"Our dealers are partners in our business — along with our suppliers — and their success is absolutely vital to our own."

— SMITH

Salesfolk earn cash on Corsica

$5,000 is top prize for each delivery

By Michelle Krebs and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

Chevrolet has added yet another incentive to its new Corsica and Beretta. The latest one is aimed at dealership salespersons.

At the same time, Chevrolet and GMC placed incentives on their all-new C/K series pickup trucks. Chevrolet also extended and sweetened existing incentives on some other models.

Ford joined the fray with an incentive on its Ranger STX and extended incentives on selected cars and trucks until June 15.

Chevrolet launched the "Corsica/Beretta Cash Play" program last Monday. When a salesperson delivers a 1988 Corsica or Beretta through a retail sale, he or she wins $25 to $5,000 in a computerized random drawing. The dealership finds out how much the salesperson has won by calling an 800 phone number.

The program runs through June 21.

Chevrolet recently put a $500 cash rebate on the Corsica/Beretta, only two months after its official March 12 introduction. Last week, Chevrolet extended the rebate through June 12.

"The cars didn't come out of the box as well as we thought they would," Chevrolet General Manager Robert Burger said last week.

The Corsica and Beretta went on sale in January but the official introduction was in March when national advertising began.

The cars' best month was April, when 13,500 were sold.

Chevrolet said it placed incentives on Corsica and Beretta on May 1 to "level the playing field." Chevrolet officials said that customers who might have bought a Corsica or Beretta selected a Cavalier, Celebrity or Camaro instead because those cars carried incentives.

Nevertheless, May 1-10 sales were lower than sales for April 21-30, even though Chevrolet began offering a $500 cash rebate on the cars May 1. In the first 10 days of May, Chevrolet sold 4,095 Corsicas and Berettas compared with 6,073 in the last sales period of April.

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61st year—No. 5182

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Goodyear chief to address World Congress

What's it like to face a hostile takeover by a corporate raider?

Ask Robert E. Mercer. He'll tell you.

"A hostile takeover amounts to telling you I'm going to rape your wife because it'll improve your marriage," said Mercer, chairman and chief executive officer of Goodyear Tire & Rubber Co.

Mercer's company waged a bruising battle against an unfriendly takeover attempt last year.

The fight sent Goodyear billions of dollars into debt, forcing the company to close several plants, sell off some profitable subsidiaries and cut its payroll by about 10 percent.

Mercer will deliver the "State of the Supplier Industry" address at the 12th Annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

He's ready, willing and able to address this year's Congress theme, "Facing Up to Competitive Times."

He will be co-speaker on Sunday evening, July 26, with keynote speaker Gerald Greenwald, chairman of Chrysler Motors Corp.

In addition to Mercer, three other top speakers are scheduled to talk on supplier industry issues.

They are: Rene C. McPherson, former chairman of Dana Corp. and at one time dean of the Graduate School of Business at Stanford University; Allen F. Jacobson, chairman and chief executive officer of 3M Co.; and James McAlpine, executive vice president, Magna International Inc.

McPherson and McAlpine will speak on Monday, July 27, when the day's theme will be "Recoveries and Strategies for the Domestic Industry."

McPherson, whose topic is "The Importance of People" in successful competition is a director of Banc One Corp., Dow Jones & Co., Mercantile Stores Co., Milliken & Co. and Westinghouse Electric Corp.

McAlpine will address the issue of growth as a supplier in the face of intense competition among North American suppliers and offshore competitors.

Jacobson will speak on Wednesday, July 29, when the daily theme will be "Coping With Change." His topic will be "What America's Cup Technology Means to the Auto Industry."

A chemical engineering graduate of Iowa State University, Jacobson joined 3M in 1947 as a product engineer in the tape laboratory.

The four-day World Congress will have more than 30 speakers, sharing their knowledge and viewpoints.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

April truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	62,985						62,985	52,066
	YR	213,299						213,299	181,181
JEEP	MO	17,144						17,144	14,744
	YR	64,040						64,040	60,800
TOYOTA	MO	29,816						29,816	28,265
	YR	96,702						96,702	118,418
NISSAN	MO	20,483						20,483	19,205
	YR	76,611						76,611	72,132
MAZDA	MO	10,807						10,807	14,112
	YR	38,638						38,638	44,424
ISUZU	MO	9,714						9,714	9,606
	YR	31,387						31,387	30,678
MITSUBISHI	MO	4,606						4,606	4,986
	YR	15,732						15,732	11,506
SUZUKI	MO	8,341						8,341	2,875
	YR	28,942						28,942	12,187
SUBARU	MO	142						142	290
	YR	839						839	1,021
RANGE ROVER	MO	170						170	0
	YR	249						249	0
FORD	MO	128,562			1,004	2,846	1,098	133,510	116,448
	YR	449,443			3,535	9,324	3,669	465,971	422,229
FREIGHTLINER	MO						2,108	2,108	1,649
	YR						6,775	6,775	5,609
CHEVROLET	MO	103,037		19	603	760	27	104,446	111,687
	YR	365,479		65	2,402	2,478	122	370,546	399,631
GMC	MO	28,277		99	841	2,735	991	32,943	30,263
	YR	97,592		2,500	2,171	8,609	3,107	113,979	112,187
KENWORTH	MO					30	1,212	1,242	870
	YR					30	4,246	4,276	3,051
MACK	MO				242	320	1,912	2,474	2,153
	YR				964	1,096	5,581	7,641	6,949
MERCEDES	MO				158	192		350	292
	YR				540	726		1,266	1,216
NAVISTAR	MO		13	34	916	2,890	3,037	6,890	6,596
	YR		22	102	3,298	9,983	9,735	23,140	22,130
*PETERBILT	MO						968	968	854
	YR						2,991	2,991	2,939
VOLVO	MO					174	1,148	1,322	1,222
	YR					526	3,404	3,930	3,933
HINO	MO			21	40	51		112	0
	YR			127	169	276		572	0
NISSAN DIESEL	MO			20	16	40		76	0
	YR			114	103	235		452	0
ISUZU TRUCK	MO	427		14	19			460	441
	YR	1,455		36	65			1,556	1,651
MITSUBISHI FUSO	MO	60			21	21		102	0
	YR	127			46	92		265	0
SCANIA	MO						4	4	0
	YR						50	50	0
IVECO TRUCKS	MO	149	79	50	6			284	0
	YR	463	198	176	30			867	0
WESTERN STAR	MO						150	150	0
	YR						290	290	0
OTHER DOMESTICS	MO				14		94	108	115
	YR				25		324	349	394
GRAND TOTAL	MO	424,720	92	257	3,880	10,059	12,749	451,757	418,749
	YR	1,480,998	220	3,120	13,348	33,375	40,294	1,571,355	1,514,266
1986 YR to DATE		1,429,522	0	1,386	13,594	33,531	36,253		

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.

Class 8 sales climb; April total is 12,749

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Retail sales of Class 8 heavy trucks were up sharply in April, as were those in the medium-duty Class 4, 5 and 6 segments.

Class 7 sales, although down slightly from a year ago, showed continuing improvement, according to figures compiled by the Motor Vehicle Manufacturers Association.

There now are 27 truck companies reporting U.S. retail sales in the light, medium and heavy market segments.

Western Star reported sales for the first time last month. No year-ago comparison figure was available.

Since last fall, when Automotive News devised its retail sales table for medium and heavy-truck manufacturers, a number of new companies have either entered the market or have begun reporting sales for the first time.

They include Iveco, Scania, Mitsubishi Fuso, Nissan Diesel and Hino.

Total truck industry retail sales in the United States for April were a record 451,757, up 7.9 percent from a year ago.

For the first four months of calendar 1987, total retail truck sales of 1,571,355 were also a record, up 3.8 percent from last year's previous high.

During April, Class 8 truck manufacturers retailed 12,749 units, up 22.3 percent from the same month a year ago.

For four months of calendar 1987, Class 8 sales of 40,294 were up 11.1 percent over the same period in 1986.

Class 7 truck sales of 10,059 last month were slightly below the 10,202 retailed a year earlier. Class 7's four-month calendar year total of 33,375 was slightly below sales of 33,531 for the same period in 1986.

Class 4, 5 and 6 sales totaled 4,229 in April, up from 4,051 a year earlier. The calendar year-to-date total of 16,688 for those segments was up 11.6 percent from last year.

Most of the medium and heavy-truck manufacturers are off to a strong start this year, and Kenworth is having an exceptional year. Its Class 8 sales of 1,212 trucks in April were up 39.3 percent over last year. For the first four months, its Class 8 sales of 4,246 units were up 39.2 percent over the same period in 1986.

Kenworth also sold 30 of its new Brazilian medium-duty models in April.

Freightliner also had a strong April, with Class 8 sales of 2,108, up 27.8 percent over last year.

For the first four months, Freightliner's sales of 6,775 trucks were up 20.8 percent over the same period a year ago.

Volvo White, GMC's future heavy-truck partner, had Class 7-8 retail deliveries of 1,322 trucks in April, up 8.2 percent over last year.

For the first four months of 1987, Volvo White's sales of 3,930 were a shade below 3,933 for the same period a year earlier.

Ford's new medium-duty Cargo due in dealerships this summer

By A.S. Plotkin
SPECIAL CORRESPONDENT

BOSTON — Ford Motor Co.'s latest entry in the medium-size-truck sweepstakes, the CF-8000, has more horsepower and a higher GVW rating than other trucks in the company's two-year-old Brazilian-built Cargo series.

The CF-8000 debuted at the New England Truck Show here and will show up in Ford dealerships early this summer, according to Kenneth F. Smith, heavy-truck general operations manager for Ford Truck Operations.

With its greater size and muscle, Smith said, the CF-8000 "should have strong appeal to operators seeking to maximize capacity in a Class 7 chassis."

Ford has increased its calendar-1987 North American retail sales projection for medium and heavy trucks to 275,000 from an earlier 270,000.

Smith pointed out that the industry is off to a good start this year, but he said he didn't think the current rate would hold up for the balance of 1987.

"We are not looking for a barnburner, but it will be better than last year (265,000 retail sales). Canada started out really strong, but has started to soften. It is still a very competitive marketplace, and changes are taking place. The dealers are concerned about the long term, much as they were last year," Smith added.

Although Ford is facing tough competition, Smith said he felt the company is "working on the right things. We will be expanding the Cargo line again this year."

Smith: CF-8000 "should have strong appeal to operators seeking to maximize capacity in a Class 7 chassis."

The Brazilian-built Cargo line was introduced two years ago. It replaced Ford's old CF series and accounted for 2,000 North American retail sales in its first partial year on the market.

Smith said that Ford has begun "winding down" on older-style C-series models, but "they're still so strong that we would be killed by our customers unless we had an adequate replacement."

In 1986, Ford retailed 3,200 Cargos in North America, with its biggest problem being lack of availability to meet market demand, according to Thomas J. Steckel, medium-truck product manager.

The Cargo is now available in five wheelbases and with a choice of three Ford engines, ranging up to 210 horsepower.

The new CF-8000 will be available in four wheelbases, from 171 inches to 225 inches.

New options available will include a suspended driver's seat for smoother ride and an exhaust brake that, according to Smith, "contributes to a reduction of service-brake lining wear and helps minimize the possibility of brake fade."

Study charts Japanese invasion of U.S. parts industry

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Japanese companies will soon be manufacturing everything from antifreeze to air conditioners in the United States.

The Original Equipment Division of the Motor and Equipment Manufacturers Association lists 126 facilities owned or partly owned by Japanese companies that are now manufacturing in this country or will be by 1990.

An internal Commerce Department study (Automotive News, May 18) places that number around 300 companies, including materials suppliers.

According to the report, Japanese firms rank states in three groupings in terms of investment desirability. The most desirable is Group I (Illinois, Indiana, Kentucky and Ohio), followed by Group II (Michigan, Missouri and Tennessee) and Group III (Pennsylvania and Arkansas).

The study elaborates on the selection of investment locations, saying, "Firms use weighted ratings for various factors, to evaluate the degree of investment desirability, but, of course, much subjectivity and 'gut feeling' is employed in the final decision."

The report said Japanese companies are increasingly interested in joint ventures with American companies, thus providing the Japanese with quick access to the local market and fast introductions to the U.S. Big Three.

Merger and acquisition — known as M&A — has become the new buzzword in Japan, the report said.

According to the authors of the report, "Some strategists suggest that savvy and competitive U.S. parts suppliers should cut price and costs and increase R&D immediately to maintain market share and put severe pressure on the newcomers. Of course, most Japanese believe there is only a slim chance that U.S. suppliers will take such strong action."

The Commerce Department report said it seems to be the view of Japanese industry that U.S. automakers will cede some production capacity to the Japanese while maintaining responsibility for marketing Japanese-manufactured goods. According to the study, "Japanese are aware that some U.S. analysts envisage U.S. automakers relegating themselves to the role of marketing organizations."

"It is a mistake to believe that many Japanese parts makers are moving to the states

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Japan's auto/parts makers in U.S.

Venture	Products	Location	No. of Employees	Ownership	Start-Up Date	Supplier to:
Aeroquip Automotive Inc.	air conditioning hoses, power steering hoses, fuel lines, oil cooler lines, tube connectors, couplings	Van Wert, Ohio		Aeroquip Corp. Yokohama Aeroquip Co. Yokohama Rubber Corp.	1987	
Aisan Kogyo Co.	carburetors fuel pumps	Des Plaines, Ill.		Aisan Industry Co. Ltd.	1982	
Aisin USA Inc.	pressed parts	Seymour, Ind.		Aisin Seiki Co. Ltd.	1988	Toyota Motor Mfg.
Alcan Toyo American Inc.	aluminum paint	Joliet, Ill.		Toyo Aluminum K.K. (80%); Alcan Aluminum Co. (20%)	1988	
Alcoa Fujikura Rubber Co. (PEP Idustries)	wiring harnesses	Pittsburgh		Alcoa (51%) Fujikura Gomu Kogyo (49%)	1986	Ford
Alpine Electronics Mfg. of America	automotive audio equipment, switches	Greenwood, Ind.		Alpine Electronics of America (70%) Alps Electric Co. Ltd. (30%)	1987	American Honda
American Brake Industry (Ambrake Corp.)	brake systems	Elizabethtown, Ky.		GM Delco Moraine Division (50%) Akebono Brake Industry Co. Ltd. (50%)	1988	Toyota Motor Mfg.
American Koyo	bearings	Orangeburg, S.C.	200	Koyo Seiko Co.	1975	
American Yazaki Corp.	wiring harnesses	El Paso, Texas		Yazaki Corp.	1984	Chrysler Nissan Motor Mfg. Diamond-Star
Amtex Inc.	floor mats, trunk mats, door opening trim	Manteca, Calif.	50	Hayashi Telempu Co. Ltd. (50%) C.H. Masland & Bons (50%)	1986	NUMMI
AP Technoglass	window glass, metal and rubber window parts	Bellefontaine, Ohio	120	Asahi Glass (60%) Takahashi Glass Industries (20%) PPG Industries (20%)	1986	American Honda Diamond-Star
Arvin Sango Inc.	exhaust components			Arvin Industries, Inc. North American Automotive Div. (50%); Sango Co. Ltd. (50%)	1988	
ASMO Co. Ltd.	small motors for wipers, blowers, lights	Battle Creek, Mich.		ASMO Co. Ltd.	1987	Nippondenso
Astronet Corp.	cellular phones	Lake Mary, Fla.	50	Plessy Co. PLC (51%); Mitsubishi Denki KK (25%); Mitsubishi Corp. (24%)	1984	
ATR Wire and Cable	wire tire cord	Danville, Ky.	680	Tokyo Rope Mfg. Co. (60%) Mitsubishi (20%) C. Itoh & Co. (20%)	1981	U.S. tire companies
Belle Tech Corp.	car window glass assemblies, metal and rubber parts	Bellefontaine, Ohio	70	Asahi Glass Co. (60%) Takahashi Glass Industries (20%) PPG Industries (20%)	1986	American Honda Nissan Motor Mfg.
Bellemar Parts Industry	seat assemblies, exhaust systems	Marysville, Ohio	170	Honda America Mfg. (80%) Sankei Giken Kogyo Co. (10%) Tokyo Seat Co. (10%)	1982	American Honda
Bellemar Parts Industry	exhaust system, catalytic converters, brake lines, door sashes, seat frames	Russells Point, Ohio	140	Honda America Mfg. (80%) Sankei Giken Kogyo Co. (10%) Tokyo Seat Co. (10%)	1985	American Honda
Berwick Steel Co.	slitters of steel	Columbus, Ohio		Nissho Iwai Corp.	1985	GM
Bloomington Seating Co.	seats	Normal, Ill.		Namba Press Works Co. (50%) Douglas and Lomason Co. (50%)	1988	Diamond-Star

Venture	Products	Location	No. of Employees	Ownership	Start-Up Date	Supplier to:
Bridgestone Tire Mfg. (USA)	tires	LaVergne, Ind.	1,100	Bridgestone Corp.	1982	Nissan Motor Mfg.
Bundy-Usui International Corp.	tubing assemblies	Bloomington, Ill.		Usui Kokusai Sangyo	1988	
Calsonic Inc.	air conditioning systems	Irvine, Calif.	220	Nihon Radiator Co. Ltd.	1976	Nissan Motor Mfg.
Calsonic Mfg. Corp.	air conditioning systems exhaust assemblies	Bedford, Tenn.	320	Calsonic Inc. (80%) Nihon Radiator Co. Ltd. (20%)	1985	Nissan Motor Mfg.
Calsonic Yorozu	metal stampings	McMinnville, Tenn.	150	Nihon Radiator Yorozu Jidosha Kogyo	1988	
Cast Forge Co.	aluminum wheels, intake manifolds, transmission parts	Howell, Mich.	100	Kelsey-Hayes Co. (80%); Nippon Light Metal (20%)	1982	Mazda
Central Manufacturing Co.	wheels and related parts	Paris, Ky.	50	Kelsey-Hayes (40%) Central Motor Wheel (40%) Toyoda Isusho Co. (20%)	1988	Nissan Motor Mfg.
Chuo Yuka	antifreeze, windshield wiper solvents	Pittsburgh		Chuo Spring Co. Ltd.		Nissan Motor Mfg.
Chuo Yuka	brake fluid	Louisville, Ky.		Chuo Spring Co. Ltd.		Nissan Motor Mfg.
CKR Industries	weather stripping & sealers	Winchester, Tenn.	115	Kinugawa Rubber Industrial Co. (45%) Chardon Rubber Co. (55%)	1986	Nissan Motor Mfg.
Clarion Mfg. Corp. of America	car radios and stereo systems	Walton, Ky.	90	Clarion Shoji Ltd.	1987	Nissan Motor Mfg.
Clevite Bridgestone Co.	rubber to metal parts	Milan, Ohio		Clevite Industries Inc. (51%) Bridgestone Tire and Rubber Co. (49%)	1988	
Curtis-Maruyasu America Inc.	fuel line and hydraulic brake assemblies	Tracy, Calif.	25	Maruyasu Kogyo (50%); Curtis Industries (50%)	1985	NUMMI
Daiwa Steel U.S. Project		Pine Bluff, Ark.		Daiwa Steel Tube Industries Co.	1988	
Delta Kogyo Ltd.	seats	Monroe, Mich.		Delta Kogyo Co. Ltd.	1987	Mazda
Diamond-Star Motors	cars	Bloomington-Normal, Ill.	2,500	Chrysler Corp. (50%); Mitsubishi Motors (50%)	1988	
Dunlop Tire Corp.	tires	Grand Island, N.Y.	900	Sumitomo Rubber Dunlop Tire Corp.		
Dunlop Tire Corp.	tires	Huntsville, Ala.	800	Sumitomo Rubber Dunlop Tire Corp.		American Honda
Enkei America Inc.	aluminum wheels	Columbus, Ind.	300	Enshu Keigokin Co. Ltd. (60%) Mitsubishi (40%)	1987	GM
Fuji Koki America	thermostatic expansion valves, other controls	Dallas	40	Fuji Koki Mfg.	1982	Nippondenso Honda Calsonic
Fujitsu America Inc.	cellular phones	Richardson, Texas	160	Fujitsu Ltd.	1984	
Fujitsu Ten	car stereos	Rushville, Ind.	20	Fujitsu Ten Ltd.	1987	
Greenville Technology Inc.	plastic components	Marysville, Ohio		Morioku Co. Ltd.	1987	American Honda
Hi-Lex Corp.	control cables for accelerators, clutches, hood/trunk release, gas caps, & brakes	Battle Creek, Mich.	50	Nippon Cable System Inc.	1978	GM Ford Chrysler Navistar Nissan Motor Mfg.
Hisan	fuel & brake line brake coatings, bindings	Rochester, Ohio		Sanoh Industries Corp. (50%) ITT Higbee (50%)	1987	
Hitachi Automotive Products, USA	magnetic sensors, engine controls	Harrodsburg, Ky.	50	Hitachi Ltd.	1986	Nissan Motor Mfg.
Honda America Mfg. Inc.	cars	Marysville, Ohio	2,300	Honda Mfg. Co. Ltd.	1981	
Honda Manufacturing	assembled engines, cast aluminum blocks, cast aluminum wheels	Anna, Ohio	225	Honda America Mfg. Co.	1986	American Honda

PARTS

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just because Japanese assemblers are going. The key is that they want to supply the U.S. Big Three, who have greater volume, are not as demanding as Japanese assemblers, and will not squeeze them on price," the study said.

"Of course they also want to supply the lucrative U.S. aftermarket. Roybi is an example of a non-auto parts firm in Japan which supplies die cast molds to GM and Ford in the U.S., but does not supply U.S.-based Japanese assemblers. In fact, it was one of the Big Three which first urged Roybi to produce in the U.S., and apparently such 'suggestions' from the Big Three are common."

The report went on to mention an unnamed medium-sized Japanese parts firm that was offered free land and guaranteed orders for five years if it would establish U.S. production facilities.

Japanese automakers such as Nissan, Toyota, Honda, Subaru, Isuzu, Mazda and Mitsubishi are on the MEMA list. So are Japanese component manufacturers such as Tokyo Seat Co., Asahi Glass Co., Yuasa Battery, Nippondenso, Showa Manufacturing Co., Nippon Light Metal and Bridgestone.

Thus far, 19 states have been selected by the Japanese and their U.S. partners for automotive manufacturing. The most popular location is Ohio, with 23 facilities either operating or planned. Kentucky is second with 16 Japanese manufacturers, followed by Michigan with 15.

Other states on the list include Illinois (12), Indiana (11), Tennessee (8), California (8), Texas (5), Pennsylvania (5), Georgia (4), Missouri (3), Alabama (3), Arkansas (2) and New York (2). States that have attracted one Japanese automotive investor include South Carolina, Florida, Virginia, Oregon and Nebraska.

Total employment by Japanese automotive manufacturing businesses in the United States is expected to total approximately 35,000 by 1990, according to MEMA.

According to the Commerce Department study, Japanese parts manufacturers are coming to the United States because of the appreciation of the Japanese yen, a stagnant Japanese market, increased offshore auto assembly, and the threat of local-content legislation. Other advantages of producing in the United States are lower materials costs and, in some cases, lower labor costs.

The internal study said that states with offices in Japan report "a flood of inquiries" from Japanese companies interested in U.S. investment.

"Of course, U.S. state and local governments continue to look for these inquiries. They hope for Japanese parts maker invest-

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Venture	Products	Location	No. of Employees	Ownership	Start-Up Date	Supplier to:
Ichikoh Ind.	lighting equipment	Shelbyville, Ky.		Ichikoh Ind.	1999	Toyota Motor Mfg.
Idemitsu Apollo Inc.	lubricants	Cincinnati		Idemitsu Apoilo	1984	Nissan Motor Mfg.
I.I. Stanley Co. Inc.	lighting equipment electronic components	Battle Creek, Mich.		Stanley Electric Co. Ltd. (60%) Kyokuto Boeki Kaisha Ltd. (30%) Stanley Electric U.S. Co. (10%)	1988	American Honda Diamond-Star Toyota Motor Mfg.
I/N Tek	cold-rolled steel sheet	South Bend-New Carlisle, Ind.		Inland Steel Corp. (60%) Nippon Steel (40%)	1990	Nissan Motor Mfg.
Inouac (USA) Inc.	exterior trim foam rubber padding	Bardstown, Ky.		Inoue MTP	1988	
Isuzu Truck of America	bus chassis		30	Isuzu Motors (80%) C. Itoh & Co. (20%)	1987	
Izumi Corp.	steering wheels-urethane plastic	Yaphank, N.Y.	185	Izumi Motor Co. Ltd.	1979	Ford GM Chrysler Nissan Motor Mfg. AMC Mazda
Kantus Corp.	plastic instrument panels, radiator grilles, glove boxes, splash guards	Lewisburg, Tenn.	150	Kanto Seiki Co. Ltd.	1985	Nissan Motor Mfg.
Kideco of Bardstown	wiper motors, cruise control devices	Bardstown, Ky.		Jidosha Denki Kogyo Co.	1987	Nissan Motor Mfg.
Komatsu America Mfg. Corp.	earthmoving equipment	Chattanooga, Tenn.	275	Komatsu	1986	
Koyo Seiko	steering wheels			Koyo Seiko	1989	Toyota Motor Mfg.
KTH Parts Industries	stamped, painted, welded parts	St. Paris, Ohio	219	American Honda (92.5%); Kikuchi Press Ind. Co. (1.875%) Hirata Press Ind. Co. (1.875%) Hongo Seisakusho (1.875%)	1985	American Honda
Kui Mfg. Co.	car decals	Detroit	350	Mitsubishi Motors	1985	GM Diamond-Star
Leblond Makino	tools, flexible manufacturing systems	Cincinnati	455	Makino Milling Co. Ltd. (51%) Leblond Inc. (49%)	1981	American Honda GM
Matsushita Communiccation Corp. of America	audio equipment	Peachtree City, Ga.		Matsushita	1987	
Matsushita Communication Corp. of America	cellular phones	Franklin Park, Ill.	24	Matsushita	1984	
Mazak Corp.	machine tools	Florence, Ky.				
Mazda Motor Mfg.	cars	Flat Rock, Mich.	3,500	Mazda Motor Corp.	1988	
MBL (USA) Corp.	belts,	Ottawa, Ill.	250	Mitsuboshi Belting Co. Ltd.	1988	Diamond-Star Toyota Motor Mfg. Nissan Motor Mfg. Isuzu Fuji Goodyear Ex-Cello
MBL (USA) Corp.	belts, hoses	Lombard, Ill.	50	Mitsuboshi Belting Co. Ltd.	1973	
Mitsubishi Consumer Electronics	cellular phones	Braselton, Ga.	240	Mitsubishi Electronics	1986	
Mitsubishi Reactive Inc.	magnets	West Pittsburgh, Pa.	5	Mitsubishi (51%) Reactive Metals (49%)	1986	GM
Morton Yokohama Inc.	windshield sealants	Ringwood, Ill.		Morton Thiokol Inc. Yokohama Rubber Co.	1988	
Musashi USA	arm bushings, joint assemblies	Battle Creek, Mich.	5	Musashi Seimitsu Industry Co.	1985	Ford
Neaton Auto Products Mfg. Inc.	steering wheels	Eaton, Ohio	75	Nihon Plastic Co.	1985	American Honda
NEC America	cellular phones	Hillsboro, Ore.	150	NEC Corp.	1985	

Venture	Products	Location	No. of Employees	Ownership	Start-Up Date	Supplier to:
New Sabina Industries	instrument panels	Sabina, Ohio	100	Nippon Seiki	1987	
New United Motor Mfg. Inc.	cars	Fremont, Calif.	2,500	GM (50%); Toyota Motor Mfg. (50%)	1984	
NGK Metals	beryllium copper alloy	Philadelphia	800	NGK Insulators	1986	
NGK Spark Plug Mfg. (USA) Inc.	spark plugs	Irvine, Calif.		NGK Spark Plug Co.	1977	
NHK-Associated Spring Suspension Components Group	valve springs, coil springs	Bowling Green, Ky.		NHK Spring Co. Ltd. (55%) The Barnes Group (45%)	1987	Toyota Motor Mfg.
NHK Spring/ Inland	stablizers, fiberglass reinforced plastic, springs, car seats			NHK Spring Co. GM Inland Division		
Nippondenso Mfg. USA Inc.	evaporators/ condensors, electrical components	Battle Creek, Mich.	455	Nippondenso	1983	Toyota Motor Mfg. American Honda
Nippondenso of Los Angeles Inc.	air conditioning systems, alternators, starters	Long Beach, Calif.	140	Nippondenso (80%) Toyota Motor Sales USA (20%)	1971	NUMMI
Nishikawa Standard Co.	sponge rubber products	Topeka, Ind.	200	Nishikawa Kasei (60%) Standard Products (40%)	1987	Mazda
Nissan Motor Mfg. USA Inc.	light trucks and cars	Smyrna, Tenn.	3,500	Nissan Motor Co.	1982	
NKC of America Inc.	transfer equipment	Memphis, Tenn.		Nakanishi Metal Works Co. Ltd.	1979	GM Chrysler VWoA
NOK Inc.	oil and mechanical seals	Lagrange, Ga.		NOK Corp.	1980	Ford Chrysler AMC Navistar GM
North American Lighting Inc. (aka NAL)	front & park lamps, rear combination lamp assemblies, fog lamps, license plate lamps	Flora, Ill.	33	Westfalische Metall Industrie AG (Hella) (51%); Koito Mfg. Co. Ltd. (39%); Ichikoh Industries (10%)	1983	Nissan Motor Mfg. BMW N.A. VWofA Ford Chrysler AMC
Nova Steel Processing Co.	slitters of steel	Tipp City, Ohio		Armco Steel (50%) C. Itoh Co. (50%)	1986	GM Truck & Bus
NSK Inc.	ball bearings	Ann Arbor, Mich.	215	Nippon Seiko KK	1975	
NTN Toyo Bower	tapered roller bearings	Hamilton, Ala.		NTN Toyo Bearing Co.	1985	
NTN Toyo-Bower Co.	bearings	Macomb, Ill.		NTN Toyo Bearing Co.	1971	
Ogihara America Corp.	body panel stampings, forgings	Howell, Mich.	100	Ogihara Iron Works	1987	GM Ford Chrysler Mazda
Oki Ameria Inc.	cellular mobile phones	Norcross, Ga.		Oki Electric Industry Co.	1984	
Omega Tube and Conduit Corp.	steel pipe for exhaust pipes, chassis, stabilizers, steering columns, axles, shocks & seat frames	Little Rock, Ark.		Sumitomo Metal Industries	1987	
Optec Daiichi Denki	magnetic wire	Mexico, Mo.		Optec Daiichi Denki	1987	GM Ford Chrysler Toyota Motor Mfg.
Penstone Inc.	automotive glass	Rockwood, Mich.	60	Ishizaki Honten Co. (70%); Nippon Sheet Glass Co. (30%)	1987	Mazda
Pioneer Industrial Components	car stereo/audio equipment	Springboro, Ohio	200	Pioneer Electric Corp.	1986	
Sanden International (USA)	air conditioning systems, compressors, evaporators	Dallas		Sanden Corp.	1980	
Sanyo Machine America Corp.	automated welding equipment	Rochester, Hills, Mich.				

PARTS

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ment, while knowing that the excess capacity generated may well smother local American manufacturers — but perhaps these will be in some other state," the study said.

The report concluded that the U.S. auto parts industry is in for a big shake-out, but that there is still much opportunity.

The study offered the following advice: "In order to profit, U.S. firms must realize that, whether going it alone or in joint ventures with Japan, the concept of a unilateral vendor relationship is obsolete. Japanese values, expectations, new technology, and the market itself will not permit unilateral vendor behavior. One needs to be introduced and indicate a willingness to work together. Even though a vendor meets quantifiable criteria such as price, quality, and delivery, one must also demonstrate an attitude of cooperation and flexibility. To expect the Japanese buyer's attitude to change quickly is ill-advised. They expect sellers to adapt."

Venture	Products	Location	No. of Employees	Ownership	Start-Up Date	Supplier to:
Service Spring Inc.	leaf springs	Indianapolis		Toyoshima Specialty Steel Co.	1986	
Sheller-Ryobi Corp.	aluminum die castings, transmission housings	Shelbyville, Ind.		Ryobi Ltd. (51%); Sheller-Globe (49%)	1986	Ford GM
Showa Aluminum	aluminum heat exchangers	Mt. Sterling, Ohio	200	Showa Aluminum	1987	Subaru-Isuzu Automotive Inc.
Showa Mfg. Co.	shock absorbers	Sunbury, Ohio		Showa Mfg. Co. Ltd.	1988	American Honda Honda of Canada
Stanley Electric Co.	headlamps and taillights	London, Ohio	95	Stanley Electric	1981	American Honda
Subaru-Isuzu Automotive Inc.	cars, light trucks	Lafayette, Ind.	1,700	Fuji Heavy Industries Ltd. (51%); Isuzu Motors Ltd. (49%)	1989	
Sumitomo Electric Wiring Systems Inc.	wiring harnesses	Morgantown, Ky.		Sumitomo Electric (60%) Sumitomo Wiring Systems Ltd. (40%)	1987	Mazda
Takata Fisher Corp.	seat belts	St. Clair Shores, Mich.	50	Takata Corp. (50%) General Safety (50%)	1985	American Honda Nissan Motor Mfg.
TG (USA) Corp.	steering wheels plastic components	Perryville, Mo.		Toyoda Gosei Co. Ltd. (80%) Mitsui & Co. (20%)	1987	Toyota Motor Mfg. GM Ford Chrysler
Thermalex Inc.	aluminum exploded products for air conditioners	Montgomery, Ala.		Thermal Components Inc. (50%) Mitsubishi Aluminum Co. (50%)	1986	
Tokai Corp.	anti-vibration mounts	Battle Creek, Mich.	120	Tokai Rubber Industries	1987	Ford
Tomasco Muldiler Inc.	stamped parts	Columbus, Ohio		Masuda Mfg.	1987	
Topy Corp.	steel wheels	Frankfort, Ky.		Topy Industries Ltd.	1986	American Honda Nissan Motor Mfg. Diamond-Star Mazda
Toyota Auto Body Inc. of California	light truck beds	Long Beach, Calif.		Toyota Motor Sales USA	1974	Toyota Motor Mfg.
Toyota Mfg. USA	cars	Georgetown, Ky.	3,000	Toyota Motor Mfg.	1988	
Tri-Con Industries	seat frames	Lincoln, Neb.	56	Tokyo Seat Co.	1985	American Honda
Tri-Con Industries Ltd.	car seats	Columbia, Mo.	720	Tokyo Seat Co.	1983	Chrysler American Honda
T.S. Trim International	interior fabric panels	Canal Winchester, Ohio	300	Tokyo Seat Co.	1988	American Honda
United Globe Nippon Inc.	sound control material, protective coatings, trunk linings	Chicago Heights, Ill.		Nikon Tokushu Yoryo Hirotoni Co. Fujiyoshi Co. (50%); Globe Industries (50%)	1987	Diamond-Star American Honda
United L-N Inc.	glass	Versailles, Ky.	200	Nippon Sheet Glass Co. Ltd. (50%) Libbey-Owens-Ford (50%)	1987	GM Toyota Motor Mfg.
UT-Furukawa Joint Venture	wire harnesses	El Paso, Texas		United Technologies Automotive Furukawa Electric		
VDO-Yazaki Corp.	instrument clusters	Winchester, Va.		VDO Adolph Schindling AG (50%) Yazaki Corp. (50%)	1986	VWoA
Viam Mfg. Inc.	floor mats	Santa Fe Springs, Calif.	50	Japan Vilene Co. Ltd. (60%); Dainippon Ink and Chemicals Inc. (40%)	1984	GM Chrysler
Warner-Ishi Corp.	turbocharger housings	Shelbyville, Ind.	30	Borg-Warner Corp. (50%) Ishikawajima Heavy Industries (50%)	1985	
Woodbridge Inouac	instrument panel exterior trim	Bardstown, Ky.	50	Woodbridge Foam (Canada) (51%) Inoue MTP Co. (49%)	1988	Ford Diamond-Star
Wynn's-Kiki Inc.	air conditioning compressors	Fort Worth, Texas	90	Wynn's Industries (50%); Diesel Kiki Co. Ltd. (50%)	1984	
Yuasa General Battery Corp.	batteries for cars and motorcycles	Reading, Pa.		Yuasa Battery America (51%) General Battery Corp. (49%)	1977	American Honda

SOURCE: Motor and Equipment Manufacturers' Association

State legislators oppose pre-emption of lemon laws

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The National Conference of State Legislatures has passed unanimously a resolution opposing federal preemption of state lemon laws.

The action follows the recent adoption of a similar resolution by the National Association of State Attorneys General. The National Association of Civil Administrators is expected to take a similar position at its annual convention next month in Atlanta.

Both domestic and foreign automakers prefer a single federal rule or uniform state laws. They are concerned over differences among the 40-some state lemon laws. Lemon laws specify consumer rights in settling complaints about defective cars.

Automakers say they doubt they can get a federal rule that will pre-empt state lemon laws. Instead, the makers are trying to get some relief through a proposal made to an advisory group considering changes in a Federal Trade Commission rule governing informal dispute settlement procedures. A decision is expected in a month or two.

The legal headaches stem indirectly from passage of the 1975 Magnuson-Moss Act, which defined certain consumer rights if manufacturers offered written warranties. It also encouraged establishment of informal dispute settlement procedures.

The FTC, as required under the law, wrote a rule (known as 703) spelling out obligations of manufacturers and consumers in settling warranty complaints out of court.

Many automakers now use national arbitration programs such as the National Automobile Dealers Association's AUTOCAP or the Better Business Bureau's Autoline. But the FTC has never said whether those programs meet the federal rule's guidelines.

The FTC 703 rule, which does not pre-empt state lemon laws, is now the subject of discussions by an independent advisory group set up by the FTC. The group includes representatives from the auto industry (manufacturers and dealers), consumer groups (Center for Auto Safety, Motor Voters, Consumers Union) and state legislators.

It is to those groups that the automakers are proposing a solution less sweeping than federal pre-emption.

They suggest making the FTC rule effective only after states with two-thirds of the nation's population have enacted lemon laws that:

- Require a consumer to use the manufacturer's arbitration program before going to court.
- Does not place any new obligations on the manufacturer.

In effect, that would mean uniformity in states with two-thirds of the population. But it also would mean that states with tough lemon laws could not qualify as part of the necessary two-thirds.

Connecticut's lemon law, for example, with its own state-run arbitration program, would appear not to qualify. Neither, apparently, could the lemon laws of Florida or Wisconsin.

The FTC staff has scheduled a final meeting in June for the rulemaking group to decide whether agreement can be reached on changing the federal informal dispute settlement procedures rule. The FTC staff has stated no desire for its rule to pre-empt states' rights to legislate or regulate consumer rights for repair/replacement under warranty, but the staff stressed it could not speak for current or future commissioners.

FTC Chairman Daniel Oliver has refused to say whether he favors having the FTC rule pre-empt state laws, and his position has made state legislators and consumer activists somewhat concerned.

The pre-emption issue was recently debated by David A. Collins, a General Motors attorney who has been serving on the FTC advisory committee, and John J. Woodcock, the Connecticut lawmaker most responsible for the strict Connecticut lemon law that has its own state-run arbitration programs.

They debated before the National Conference of State Legislatures prior to a vote opposing pre-emption of lemon laws.

After reviewing some of the court decisions on pre-emption, Collins said, "The bad news from your perspective, and from our perspective, too, is that the laws are taking new and different shapes and forms."

Some of those new varieties, he added, put lemon laws on a "self-destructive collision course with federal law, sooner or later."

Collins said the original lemon laws — allowing a dealer four attempts to repair a car and requiring a manufacturer to buy back the car if it is in a dealer's hands for 30 days — are very hard to assail as a matter of fairness. Collins said it is hard to say "four cracks at a serious problem isn't enough, and we aren't saying that any more."

But, said Collins, it is the new details cropping up in lemon laws that are unfair, sometimes to manufacturers and sometimes to consumers.

He said that one form of lemon-law unfairness insulates dealers from accountability for the poor service they may have provided. Collins admitted some defective cars defy repair. Dealers should not be responsible for fixing them.

But the bulk of the lemons, which the automakers are buying back, according to Collins, are cars that the dealer has let sit for 30 days, or cars for which the dealer has failed to order the necessary parts, or cars with a problem the dealer just has not diagnosed.

Making the dealer accountable under the lemon laws, added Collins, is an incentive to do the job right. Moreover, the consumer should not be caught between the dealer and the manufacturer. Dealers and automakers ought to be the ones to argue it out, according to Collins. As it is now, in some states dealers claim the unsuccessful repair is the manufacturer's fault.

Woodcock, taking his turn in the debate, said the states have taken a leadership role because the FTC failed to do so. He said the Connecticut attorney general has been waiting for four years for FTC to tell him whether the Better Business Bureau arbitration program meets the federal guidelines spelled out in rule 703.

State enforcement is necessary, said Woodcock, because the FTC has been in a "deep coma."

Woodcock said he is concerned that the potential for a pre-emptive initiative is real, and he said he thinks Congress should be warned because that is where the auto industry is going next for help. Woodcock said he believes the automakers have already been to the White House, and Congress is next.

Woodcock warned that pre-emption would create a moratorium on what states have done to supervise and monitor industry arbitration programs. And he viewed that as a big problem because of the track record of the FTC.

In addition, he said pre-emption would create a moratorium on further state initiatives, and by creating a precedent, it would have a chilling effect on what states may want to do.

NHTSA won't require makers to label auto lights

WASHINGTON — NHTSA will not require manufacturers of automobile lighting equipment to label their products with the name of the manufacturer, the function of the product and the letters "DOT" signifying compliance with government standards.

The agency proposed the requirements on Jan. 24, 1986, after receiving a petition from Peterson Manufacturing Co., Grandview, Mo. Peterson said the labeling requirements would identify off-shore manufacturers that had been exporting counterfeit products to the United States.

NHTSA said it decided not to approve the request after comments were filed with the agency indicating the proposal would impose significant cost increases on a number of manufacturers.

NHTSA said the comments also suggested that a marking requirement would not deter a counterfeiter from copying the markings of a reputable manufacturer.

Auto patent race heats up, but are all ideas important?

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

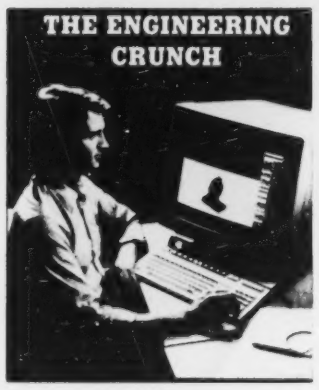
WASHINGTON — The conventional wisdom is that the United States is at the leading edge of technology, while the Japanese lack originality but build good products.

This ability to invent — viewed as a competitive advantage over the rest of the world — does not hold up when the number of patents issued is examined.

Between 1970 and 1986, the number of patents issued in the United States grew from 64,429 to 76,862. But the number of patents awarded to U.S. inventors during that period declined from 47,077 to 42,003. Patents granted to foreign nationals, on the other hand, doubled from 17,352 in 1970 to 34,859 last year.

While the U.S. continues to lead in patents for materials, computers and pharmaceuticals, Japan recently took the lead in a class critical to the auto industry — the internal combustion engine.

Between 1981 and 1985, 2,007 patents issued by the United States, or 38.2 percent of this category, went to the Japanese. U.S. inventors and companies received 1,802 patents, or 34.3 percent, during the same period.



Although the total is higher than the 1,615 engine patents issued to the U.S. inventors and companies between 1976 and 1980, the share of total patents issued is down from the 41.3 percent during the earlier time period.

According to Francis Narin, president of Computer Horizons Inc., a research firm that compiled the data for the National Science Foundation, "The U.S. share has gone down substantially, while the class as a whole is growing, since the U.S. was able to take a larger share of the class with fewer patents in 1976-80."

In total number by class, the internal-combustion-engine category ranks 15th on the list of U.S. patents awarded to American inventors. Japanese individuals and companies, however, have their greatest number of U.S. patents in this category.

For West Germany, the number of U.S. patents for the internal combustion engine ranks second behind pharmaceuticals, while it ranks fifth for those from Great Britain.

Some, however, dispute those numbers as an accurate measure of competitiveness.

"The Japanese tend to patent all over," said David E. Cole, director of the Center for Automotive Studies at the University of Michigan. "Our tendency is to be a little more cautious. When you patent, you disclose."

W. Dale Compton, a senior fellow at the National Academy of Engineering in Washington, agreed: "I don't think that the numbers mean that much."

Compton, a former vice president of research for Ford Motor Co., noted: "A large number of those patents are for ideas for which we would say we know what's in there, and we didn't think it was worth patenting."

Computer Horizon's Narin conceded the point but added that Japanese patents in general are the most often cited in the U.S. patent system — an indication of the strength of their ideas. "I think it's a pretty good reflection," he said. "If there are an enormous amount of carburetion and combustion patents that are being cited, then those patents are not token patents by any means."

Frank Walter, director of corporate timing planning for Chrysler and immediate past president of SAE, said, "We've been producing engines for essentially a century. However, we know relatively little about combustion. The Japanese realize we don't know much about combustion, and they participate more in writing papers and patenting the result of their research."

If a nation cannot apply those innovations to the products it manufactures, the triumph of technology is a hollow victory.

"Where they (the Japanese) are strong in patents, you will see that they are strong in products," Narin said. "If you go down the list of Japanese patents and walk down any good shopping street, you'll see the same things."

Narin concluded, "Given that, I find it hard to dismiss the connection between patents and competitive products."

"The three most important factors in the auto industry are product, product and product," said John Schnapp, an industry analyst with Temple, Barker & Sloane. "A company with strong product and a weak everything else can be successful, while a company with lousy product and strong everything else will have problems."

M. Carl Ziemke and James K. McCollum, of the University of Alabama in Huntsville, feel strongly that there is a gap in mechanical innovation between U.S. products and those produced by foreign makers.

Writing in the spring 1987 issue of Massachusetts Institute of Technology's Sloan Management Review, the pair contended, "Foreign automobiles' superior mechanical design features are the significant factor in their strong competitive position.

"Japanese superiority in mechanical innovation has developed largely over the last decade — often because Japanese manufacturers resurrected American breakthroughs that were once ahead of their time."

Indeed, many of the people who say the number of patents is a poor measure of U.S. engineering competitiveness also say that many of the innovations currently or about to be marketed by the Japanese — such as multi-valve technology and four-wheel steering — are familiar to U.S. makers. Some are being pursued, others have been discarded by the domestic industry.

Chrysler's Walter said the competition "is finding the technology that we produced but haven't followed up on."

"Four-wheel drive, four valves per cylinder, four-wheel steering, infinitely variable transmissions — we have all done these things before," Walter said. "I worked on an infinitely variable transmission in 1952-53-54. We didn't stay with it long enough to solve the technical problems. Part of it is being willing to take enough risks and fail in order to be successful."

Compton maintained that engineering prowess is not the issue, but rather marketing and management decisions on whether a particular technology will be introduced. That decision, he added, is based on cost more often than not.

"The Japanese, by offering these innovations, are saying 'this is how we protect our market share,' " Compton said. "With the devaluation of the dollar, can they now afford to bring on these ideas? Now they are competing head-to-head (with the United States) and the question will be what value is it to the customer, how well will it work?"

Ulrich Seiffert, executive director of research for Volkswagen AG, said he feels that the Japanese, while formidable competitors in manufacturing, put innovations on cars just for innovation's sake rather than for any need demonstrated by the consumer.

"A typical example is one Japanese company that offered an electronically controlled spring damping system," he said. "The car was nearly undriveable at 110 kph (69 mph) on the autobahn.

"We never could do that at Volkswagen. People expect proven technical solutions," he said. Seiffert said the European emphasis is on what he called honest engineering.

"The car owner is a very clever customer. He will find out very soon whether something that was promised by the designer or developer is really a benefit in his own experience."

As a result, Seiffert questioned the benefit of such innovations as voice warning systems, four-wheel steering and ceramic adiabatic diesel engines.

"We did our first tests (on 4ws) back in 1976 at Volkswagen with an Audi 100, and we still have our doubts that in a car with good handling characteristics you have really an observed improvement," he said. Seiffert believes most automotive innovations, from antilock braking to electronic fuel injection, have come and will come from Europe.

The cost/benefit view is shared in the United States. Cole said one of the reasons U.S. makers seem to be behind in bringing four-valve technology and small four-cylinder, high-output engines to the market is that simpler, larger engines could do the same job at lower cost.

Robert Isenhour, an auto industry consultant for United Research, charged that the fault lies with aging management and engineering communities.

"When you consider the demographics of the American car com-

see PATENT, page 39

Where patents are being granted

Country	1986	1985	1980	1975	1970
United States	42,003	39,554	37,357	46,717	47,077
Japan	13,857	12,746	7,124	6,352	2,625
West Germany	6,992	6,665	5,747	6,036	4,435
France	2,510	2,400	2,088	2,367	1,731
United Kingdom	2,842	2,495	2,406	3,043	2,954

SOURCE: U.S. Patent and Trademark Office

Auto industry R&D spending
(expressed as a percentage of total gross national product)

Country	1970	1984
United States	6.8	6.6
Japan	9.5	15.7
West Germany*	14.7	14.8
United Kingdom*	7.2	5.8
France†	9.7	11.1

*West German and United Kingdom figures are for 1969 and 1983
†French figures are for 1970 and 1983
SOURCES: National Science Foundation and others

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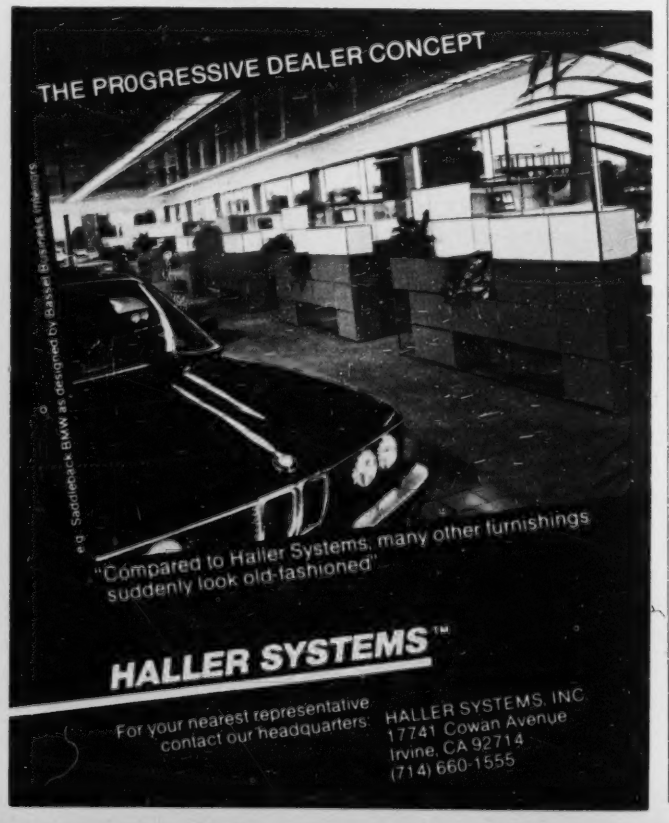
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PATENT

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panies, if you look at management, you're basically looking at the class of 1938," he said. "There is a striking compression of 50- to 60-year-old men running the companies. They tend to be conservative and resistant to change."

Although Detroit's automakers insist that things have loosened quite a bit in recent years, Walter feels that "NIH" (not invented here) remains a factor.

"The competition starts with a worldwide survey of knowledge and builds from that base," he said. "We still are tied up a little with 'not invented here.' We tend to re-invent the wheel rather than start with existing knowledge."

As a result, he said, "We don't go forward fast enough. We tend to strap ourselves."

Kim Clark, a professor at the Harvard Business School, recently told the Detroit section of the SAE that the ability to bring innovation to the market will become increasingly important.

"Not only is cost and quality an entry ticket that you've got to have, but the growing fragmentation of the marketplace and growing technical diversity means you've got to achieve that cost and quality at the same time your product structure and the structure of your technology becomes more complex," Clark said.

"It's not just a simple question of really working cost and quality in terms of meeting customer needs, but meeting the growing diversity of customer needs," he said.

Comptom believes U.S. industry has responded to those needs, especially in the area of electronics. He noted that during his tenure at Ford "we developed the first onboard electronic computers that led to the electronic engine control systems."

Ziemke and McCollum in their paper for the Sloan Management Review agreed, to a point. "The automobile industry has benefited greatly from microelectronic advances such as the invention of the microprocessors in 1970," they said. "Such developments, produced primarily for the computer and defense industries, make possible the digital ignition, emission and fuel system controls found on most American cars since 1981," they said.

However, they criticized the industry for using electronics on "gadgets — so-called electronic dashboards and other options that, though advertised intensively, are not important to the safe, efficient operation of the car."

They also said that many of the engineering innovations that came about in the 1970s — of which electronic-engine controls played an important part — were in response to government standards on emissions and fuel economy. While most of those requirements have been satisfied, Ziemke and McCollum maintained that this freed manpower should be devoted to "matching or exceeding the technical quality of the foreign competition."

While some observers believe the industry needs to rethink its attitudes toward the basic product, there is still room for leading-edge technologies to have a tremendous impact on the business. General Motors' new Magnequench process of developing a new supermagnet material that will lead to smaller starters and alternators is a step in the right direction.

But some observers believe the industry cannot rely solely on those types of breakthroughs to keep pace with the competition, especially when the competition can run faster and farther with those developments. As their own developments come on stream, they will leave the United States farther and farther behind.

"It was a seller's market for the U.S. industry for the past 60 years. Then it changed for the last 10 to 15 years," according to United Research's Isenhour.

"The U.S. industry has tried to adapt to these changes. We will never have a domestic industry where they sell 95 percent of the cars to the public. However, the auto industry is in a better position to recapture a significant share as compared to the textile or the electronics industry."

Automakers in U.S. lag in r&d funds

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The United States is keeping pace with other countries in the expenditure of funds for research and development as a percentage of gross national product.

But the automotive industry lags behind other countries in the cash it devotes to r&d as a proportion of overall spending.

According to the National Science Foundation's International Science and Technology Update for 1987, an estimated 2.7 percent of the country's GNP was spent on research and development last year. This compared with an estimated 2.8 percent each for France and the United Kingdom and 2.4 percent for West Germany. Japan spent 2.8 percent in 1985, the latest year for which figures are available.

In total dollars, however, the United States — because of the size of the economy — outspent Japan in 1984 by $47 billion. It devoted more than $77 billion to r&d compared with Japan's $30 billion. West Germany spent half as much as Japan, and France and France spent $11.5 billion.

Research and development spending on motor vehicles as a share of total spending remained relatively constant in the United States between 1970 and 1984, according to the National Science Foundation. In 1970, it amounted to 8.8 of total spending and in 1984 it was 8.6 percent.

Japan, on the other hand, significantly increased its share of motor-vehicle r&d funds, moving from 9.5 percent in 1970 to 15.7 percent in 1984. The share of motor-vehicle r&d in France and West Germany remained relatively stable. France's increased from 9.7 to 11.1 percent, while Germany's moved from 14.7 to 14.8 percent. The United Kingdom's decreased from 7.2 to 5.8 percent.

Adjusted non-defense r&d as a proportion of GNP in 1985 amounted to 1.9 percent in the United States, compared with 2.7 percent in Japan, 2.6 percent for West Germany and 2 percent for France. The United Kingdom's non-defense r&d amounted to 1.6 percent of GNP.

One factor in the smaller percentage of funds devoted to motor vehicles in the United States is undoubtedly related to the high expenditures for aerospace.

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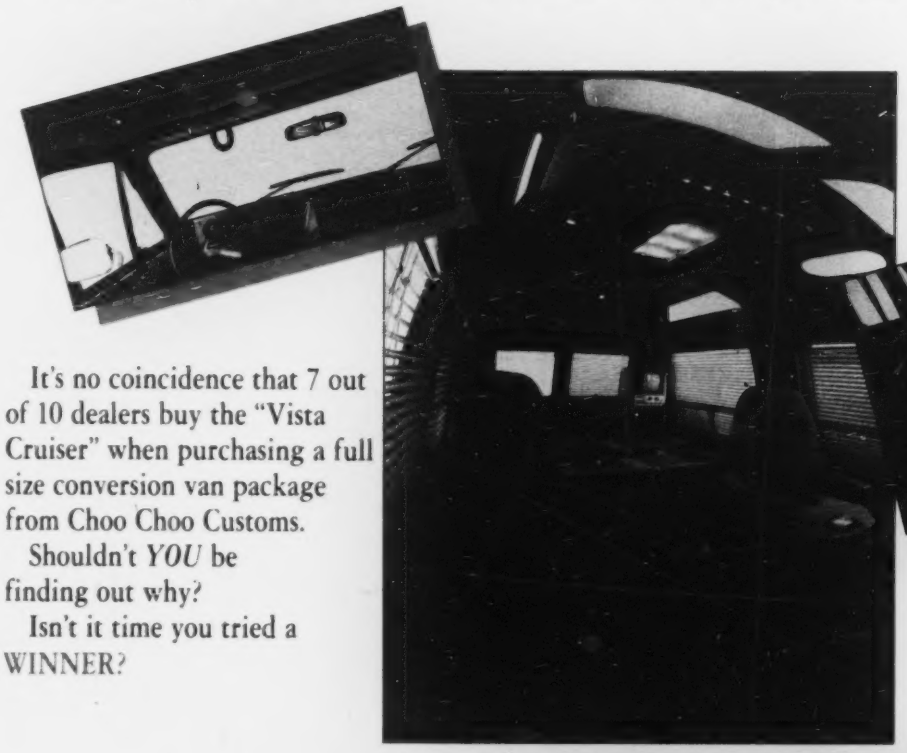

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AUCTION DATES

American Motors

May 26 — Statesville Auto Auction, Statesville, N.C.

May 27 — Columbus Fair Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

May 28 — Aptco Auto Auction, Taylor, Mich.; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

June 2 — D-A Auto Auction, New Stanton, Pa.

June 3 — Minneapolis Auto Auction, Plymouth, Minn.

June 4 — Corry Auto Auction, Corry, Pa., and Greater Chicago Auto Auction, Chicago.

June 5 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

May 26 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; and Hatfield Auto Auction, Hatfield, Pa.

May 27 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Auto Auction, Plymouth, Minn.

May 28 — Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Golden Gate Auto Auction, Fremont, Calif.

Ford Motor Co.

May 28 — 166 Auto Auction, Springfield, Mo.; Skyline Auto Exchange, Fairfield, N.J.; and Southwest Auto Auction, Phoenix, Ariz.

June 2 — Indianapolis Auto Auction, Indianapolis.

June 3 — Northway Auto Auction, Clifton Park, N.Y.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

June 4 — Nashville Auto Auction, Nashville, Tenn.

June 9 — Harrisonburg Auto Auction, Harrisonburg, Va.

June 10 — Atlanta Auto Auction, Red Oak, Ga., and Concord Auto Auction, Acton, Mass.

June 11 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Bay Cities Auto Auction, Hayward, Calif.

June 17 — Lakeland Auto Auction, Lakeland, Fla., and Southern California Auto Auction, Fontana, Calif.

June 18 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Minneapolis Auto Auction, Plymouth, Minn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

June 23 — South Seattle Auto Auction, Kent, Wash.

June 24 — Columbus Fair Auto Auction, Obetz, Ohio, and Clanton's Auto Auction, Darlington, S.C.

General Motors

May 28 — Florida Auto Auction of Orlando (Orlando Extravaganza), Orlando, Fla.

June 2 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and 166 Auto Auction, Springfield, Mo.

June 3 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

June 4 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

May to date	$5,877
Month ago	$5,823
Year ago	$5,139

Model Breakdown
Auction Averages

	MAY 1987	APR 1987	MAR 1987
1987	$12,096	$13,266	$13,443
1986	$9,402	$9,460	$9,609
1985	$7,208	$7,236	$7,305
1984	$5,756	$5,732	$5,825
1983	$4,854	$4,842	$4,860
1982	$3,717	$3,727	$3,755
1981	$2,719	$2,635	$2,643
1980	$2,160	$2,170	$2,155
Overall Average	$5,877	$5,832	$5,829

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June 3—General Motors Factory Sale 10 AM Weds.
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TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

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So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

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PRODUCTION

Output sub-par again

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Four General Motors plants were idle last week and auto production fell below 150,000 for the second straight week.

Last week's output totaled 149,777 cars, 1.79 percent more than the previous week's 147,143.

The week's build was 11.03 percent below the year-ago week's 168,337.

Companies split last week's estimated build as follows: GM, 46.86 percent; Ford Motor Co., 27.39 percent; Chrysler Motors, 14.96; Honda of America Manufacturing Inc., 4.47 percent; New United Motor Manufacturing Inc., 2.50 percent; Nissan Motor Manufacturing Co., U.S.A., 1.98 percent; Volkswagen of America, 1.34 percent; and American Motors, 0.50 percent.

GM's Fiero plant in Pontiac, Mich., and its Willow Run, Mich., plant are expected to resume output Tuesday (May 26). Both plants were idle last week for inventory adjustment.

As previously reported, GM's Arlington, Texas, and Fairfax, Kan., plants are down for model changeover.

The Arlington plant is expected to resume operations Sept. 14, and the Fairfax facility is slated to return Oct. 19.

GM will close plants for one week in Willow Run (June 15); Wentzville, Mo. (June 1); Norwood, Ohio, and Tarrytown, N.Y., (June 8); and Oklahoma City (June 22) to adjust inventories.

No Saturday (May 23) overtime was scheduled because of the Memorial Day weekend.

Saturday (May 30) overtime is scheduled for Ford's Kansas City plant.

Daily overtime is slated this week at Chrysler's Newark, Del.; Sterling Heights, Mich.; and St. Louis (No. 1) plants.

All assembly plants are closed today (May 25), Memorial Day.

Trucks slip from 17-month high

After reaching a 17-month high, U.S. truck production slipped to 78,280 units last week. It was 4.47 percent below the previous week's 81,941, which was the highest total since the week ended Dec. 14, 1985, when 83,892 trucks were assembled.

Last week's output was 3.64 percent more than the year-ago week's 75,528.

Saturday (May 30) overtime is scheduled for Ford Motor Co.'s Norfolk, Va., and Louisville, Ky., plants.

No overtime was slated last Saturday, and all plants are closed today because of Memorial Day.

Holiday cuts Canadian schedules

Production of cars and trucks in Canada dipped last week as assembly plants worked only four days because of Victoria Day (May 18).

Scheduled production of 14,237 cars was 12.33 percent below the prior week's 16,239 and 28.33 percent below the year-ago week's 19,865.

So far this year, 328,962 cars have been produced, 29.84 percent less than the 468,904 completed last year at this point.

Truckmakers scheduled production of 15,440 units last week, 6.55 percent below the prior week's build of 16,522 and 6.16 percent below the year-ago week's 16,454.

Year-to-date, 325,992 trucks have been built, 15.12 percent less than the 384,075 assembled last year at this time.

General Motors' Ste. Therese, Quebec, plant resumed operations May 19. The plant had been idle for model changeover to A-body cars.

CANADIAN CAR	Week Ended May 23, 1987	Week Ended May 24, 1986	Week Ended May 16, 1987	May to Date	Jan. 1 to May 24, 1986	Jan. 1 to May 23, 1987
AMERICAN MOTORS	80	52	88	274	2,405	2,543
FORD MOTOR	9,105	8,961	11,119	33,888	227,585	213,678
GENERAL MOTORS	4,572	10,672	4,488	10,169	234,488	234,488
HONDA	300	0	319	991	0	1,852
VOLVO	180	180	225	675	4,426	4,185
Total Cars, Canada	14,237	19,865	16,239	45,997	468,904	328,962
U.S. TRUCK☆						
CHEVROLET	22,732	22,320	24,784	73,806	502,403	451,262
DODGE	4,900	3,413	6,714	19,287	14,292	101,307
FORD	32,364	31,201	31,677	101,603	605,713	613,480
GMC	8,085	7,499	8,057	27,093	150,619	152,855
NAVISTAR*	1,679	1,584	1,660	5,328	31,051	30,718
JEEP	4,000	3,223	4,485	13,919	79,012	87,561
NISSAN	1,770	3,938	1,814	5,738	45,340	33,703
AM GENERAL*	450	50	450	1,440	1,022	3,750
MISCELLANEOUS*	2,300	2,300	2,300	7,360	46,200	43,700
Total Trucks, U.S.	78,280	75,528	81,941	255,573	1,475,652	1,518,336
CANADIAN TRUCK						
AMERICAN MOTORS	625	589	779	2,336	8,774	12,939
CHRYSLER	7,000	8,251	8,029	25,364	178,085	165,907
FORD	2,888	2,837	3,377	10,123	71,939	62,843
GENERAL MOTORS	4,755	4,618	4,126	14,882	121,181	80,490
NAVISTAR	172	179	211	638	4,096	3,813
Total Trks., Canada	15,440	16,454	16,522	53,342	384,075	325,992
N. Am. Trucks	93,720	91,982	98,463	308,916	1,859,727	1,844,328

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended May 23, 1987	Week Ended May 24, 1986	Week Ended May 16, 1987	May to Date	Jan. 1 to May 24, 1986	Jan. 1 to May 23, 1987
AMERICAN MOTORS	750	0	1,015	2,841	20,625	14,087
Renault Total	750	0	1,015	2,841	20,625	14,087
Alliance	750	0	1,015	2,841	18,084	14,087
Encore	0	0	0	0	2,541	0
CHRYSLER MOTORS	22,400	24,970	24,244	74,817	574,148	474,115
Plymouth Total	5,300	8,355	5,569	17,596	167,455	150,785
Horizon	0	3,236	0	0	64,481	32,997
Sundance	1,800	0	2,076	6,115	0	43,657
Reliant	2,300	3,859	2,118	7,231	73,453	49,599
Caravelle	1,100	865	1,105	3,576	22,684	23,114
Gran Fury	100	395	270	673	6,827	1,418
Chrysler Total	8,600	6,649	9,426	29,325	192,059	149,237
Laser	0	777	0	0	21,506	0
LeBaron K	1,500	2,126	1,505	4,976	49,168	35,131
LeBaron J	3,400	0	3,524	11,029	0	45,721
LeBaron GTS	800	47	1,037	2,947	26,955	17,505
N. Yorker/E-Class	1,600	1,429	1,625	5,242	38,882	35,701
Fifth Avenue	1,300	2,270	1,735	5,131	55,548	15,179
Dodge Total	8,500	9,966	9,249	27,897	214,644	174,093
Daytona	1,600	1,148	1,761	5,336	21,878	22,253
Omni	0	3,007	0	0	63,850	28,363
Shadow	2,100	0	2,506	7,284	0	42,834
Aries	3,000	3,126	2,906	9,221	54,350	46,846
Dodge 600	900	1,702	993	3,039	35,996	20,338
Lancer	600	55	674	1,961	24,677	11,234
Diplomat	300	928	409	1,056	13,893	2,225
FORD MOTOR	41,019	39,286	42,433	130,696	758,177	807,296
Ford Division	29,828	26,541	30,654	94,173	518,777	564,749
Escort	9,207	8,000	9,114	27,260	165,735	150,049
Mustang	4,611	3,601	4,480	14,542	82,956	88,809
Tempo	3,947	4,425	4,543	13,217	85,409	79,071
Taurus	7,899	7,358	7,858	25,330	113,245	180,466
Thunderbird	4,164	3,157	4,659	13,825	71,432	66,354
L-M Division	11,191	12,745	11,779	36,523	239,400	242,547
Mercury Total	7,102	9,073	7,679	23,414	163,083	167,539
Lynx	257	1,450	244	882	27,148	18,903
Capri	0	109	0	0	6,792	0
Topaz	1,505	1,005	1,742	5,050	25,870	25,275
Cougar	2,767	2,954	3,089	9,206	49,891	66,406
Sable	2,573	3,555	2,604	8,275	53,282	56,955
Lincoln Total	4,089	3,672	4,100	13,109	76,317	75,008
Continental	408	407	418	1,318	8,632	7,517
Lincoln	3,066	2,753	3,075	9,832	57,245	56,255
Mark VII	615	512	607	1,959	10,440	11,236
GENERAL MOTORS	70,198	94,406	63,642	236,011	1,863,691	1,538,023
Buick Total	12,693	18,220	4,667	33,083	316,193	242,641
Skyhawk	168	1,900	64	232	36,576	13,945
Century	3,684	5,374	1,980	10,878	104,481	77,109
Regal	1,200	1,966	1,224	3,775	23,789	18,709
Somerset/Skyhark	1,140	2,553	1,146	3,801	42,780	31,042
LeSabre (fwd)	3,840	3,811	0	8,135	48,405	47,919
LeSab./Elec. (rwd)	20	373	9	125	5,866	4,854
Electra (fwd)	2,400	1,640	0	5,339	44,251	41,972
Riviera	241	609	244	799	10,045	7,091
Cadillac Total	5,516	8,452	5,574	17,652	136,047	126,122
Cimarron	200	649	245	681	11,253	6,544
Allante	145	0	119	415	0	1,417
Brougham (rwd)	1,200	2,413	1,164	5,476	37,132	33,000
DeVille (fwd)	2,800	4,294	2,950	7,751	69,353	67,853
Eldorado	573	564	572	1,752	9,864	7,391
Seville	518	532	524	1,576	8,445	9,917
Chevrolet Total	26,670	27,768	25,959	94,717	594,394	582,561
Chevette	0	1,819	0	0	47,334	0
Camaro	2,150	4,890	2,234	6,800	88,176	42,551
Cavalier	8,300	8,728	7,759	25,161	177,572	149,857
Celebrity	8,080	5,791	8,121	25,860	124,142	151,942
Corsica/Beretta	7,500	0	3,838	19,724	0	108,455
Monte Carlo	0	2,186	1,418	4,254	48,539	29,122
Chevrolet	2,000	3,714	1,943	10,855	98,234	88,421
Corvette	640	640	646	2,063	11,397	12,213
Oldsmobile Total	11,741	21,060	13,224	45,077	469,226	290,246
Firenza	233	549	55	288	20,437	3,699
Calais	3,660	2,166	3,694	11,640	54,688	50,522
Cutlass Ciera	2,646	4,888	4,754	12,798	113,356	74,006
Cutlass Supreme	1,170	2,000	1,168	5,533	73,412	29,550
88 (fwd)	2,160	8,631	1,935	8,989	140,438	82,511
88 (rwd)	394	534	372	1,303	9,524	7,756
Olds 98	960	1,866	722	2,849	50,127	31,321
Toronado	518	426	524	1,677	7,244	7,283
Pontiac Total	11,578	18,905	14,218	45,481	346,831	296,453
Acadian*	0	916	0	0	6,773	0
Fiero	0	1,550	1,134	2,376	32,522	15,089
1000	0	1,542	0	0	12,256	0
Firebird	1,802	2,624	1,537	5,017	47,217	32,733
2000 Sunbird	2,346	3,102	2,200	7,286	59,521	47,776
Grand Am	5,260	5,010	6,234	18,760	91,959	104,851
6000	2,170	3,258	0	4,846	63,638	34,305
Bonneville	0	0	3,113	6,881	0	56,851
Safari/Parisienne	0	904	0	316	32,945	4,848
HONDA	6,700	4,139	6,718	21,578	76,294	132,554
Civic	3,150	0	1,831	6,811	0	42,139
Accord	3,550	4,139	4,887	14,767	76,294	90,415
NISSAN	2,960	0	2,989	9,485	21,517	56,442
NUMMI	3,750	3,600	4,143	12,878	73,108	77,127
Corolla	750	0	851	2,620	0	15,719
Nova	3,250	3,600	3,293	10,258	73,108	61,408
VOLKSWAGEN	2,000	1,936	1,959	3,959	36,667	29,886
Golf/GTI	1,750	1,936	1,709	3,459	36,667	24,936
Jetta	250	0	250	500	0	4,950
Total Cars, U.S.	149,777	168,337	147,143	492,264	3,424,227	3,129,530
Total Cars, Canada	14,237	19,865	16,239	45,997	468,904	328,962
N. American Cars	164,014	188,202	163,382	538,261	3,893,131	3,458,492
N. Am. Trucks	93,720	91,982	98,463	308,916	1,859,727	1,844,328
North American Cars and Trucks	257,734	280,184	261,845	847,177	5,752,858	5,302,820

*—All Acadians are built for sale in Canada
Monthly estimates may contain error of one or two units due to rounding.

GM contract at Van Nuys beats threat

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

VAN NUYS, Calif. — Production of Chevrolet Camaros and Pontiac Firebirds under a Japanese-style contract began here last week, despite efforts by dissident UAW workers to obtain an injunction preventing implementation of the work-rule changes.

UAW Local 640 President Peter Beltran and three others, acting as individuals because the membership had ratified the local agreement, had sought a permanent injunction against implementing team-concept methods. A Superior Court judge denied the request.

Joe Garcia, the local's financial secretary, said the injunction was sought in connection with "GM's breach of contract." Garcia said General Motors promised a new product for Van Nuys in exchange for the agreement but the plant has not been awarded a new product.

Garcia said the judge did did not rule on the merits of the suit. A hearing is scheduled for May 28.

The work-rule changes reduce the number of job classifications from more than 60 to four and give workers more responsibility to maintain and improve quality.

A joint-training committee composed of hourly and salaried employees worked on the changes for 12 months, a GM spokesman said.

Garcia said the state of California gave GM $20 million to retrain about 4,800 hourly and salaried workers for team production at Van Nuys.

He said that team production here is patterned after the system at New United Motor Manufacturing Inc., the GM-Toyota joint venture in Fremont, Calif.

GM has recalled the second shift at the Van Nuys plant, as it had pledged to do if the team-concept contract was approved.

Stamping plant for Mazda due in Michigan

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Mazda Motor Corp., of Hiroshima, Japan, is forming a joint venture with three Japanese suppliers to build a stamping plant in southeastern Michigan. The facility will serve Mazda's new auto assembly plant in Flat Rock, Mich.

The assembly plant, operated by Mazda Motor Manufacturing (USA) Corp., is scheduled to begin production this fall.

The stamping plant will supply a broad range of small stampings in late 1989, a Mazda Motor Manufacturing spokesman said. The initial supply of small parts such as body-side pillars and cross members will come from Japan.

Mazda altered its original plans to import small stampings from Japan because of the yen's appreciation, the spokesman said.

The three suppliers entering into the joint venture with Mazda are Yamamoto Kozai, Ondo Kosakusho and Miura Kogyo. Mazda owns 33 percent of Miura. Those firms already supply Mazda in Japan.

When full capacity is reached at the Flat Rock assembly plant, it will produce 240,000 cars a year. The volume will be split between Mazda and Ford Motor Co.

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GMC, Chevy to combine marketing

GMC takes reins on medium trucks

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

General Motors in an unprecedented move is streamlining its medium-duty truck operations by having GMC Truck Division take over all the sales and marketing responsibilities of those vehicles for Chevrolet.

Specifically, GMC will handle the marketing, sales promotion, advertising, service and warranty, sales and service training, dealership contacts, order processing, truck distribution, fleet sales and used-truck programs, dealer leasing and financing programs and dealer organization and planning activities for both Chevrolet's and its own medium-duty models.

As part of the reorganization, McCann-Erickson, GMC's advertising agency, reportedly will also assume the medium-duty ad account previously handled by Chevrolet's Campbell-Ewald agency.

The moves affect 966 Chevrolet and 660 GMC medium-duty truck dealers and are being phased in over the next month.

see GMC, page 50

Donald Hudler, Saturn vice president, details distribution plans

AUTOMOTIVE NEWS/JOE WILSEMS

Saturn details dealer plans

100 by 1990 intro; pact gives retailers strong voice

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — General Motors' Saturn Corp. will select a limited number of dealers for each geographic territory, and those dealers will be allowed to have multiple locations, including sites in shopping centers and office complexes.

Saturn President Richard LeFauve said the division will have 100 dealers in 30 major markets when the Saturn car is launched in 1990. The initial markets will be primarily on the East and West coasts and major cities in between, including Houston, Dallas, Chicago, Detroit and Atlanta.

Saturn will add dealers as production at the Spring Hill, Tenn., assembly plant increases. A second shift will be added at the end of the first six months of production. The plant will be able to produce 250,000 units a year. Two-door and four-door models are planned.

At the end of the first six months of production, Saturn is expected to have 200

see SATURN, page 47

Toyota plans new division, upscale cars

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER
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LOS ANGELES — Toyota Motor Sales will announce later this year a second, upscale U.S. car-sales division. It will be similar to American Honda's Acura line, though there will be differences.

Toyota has already identified 100 key Toyota dealers who will get first shot at the unnamed new franchise. It will open the 1989 model year with three luxury-performance car lines, said sources within the industry and Toyota. Formal announcement could come as early as this summer.

Like Acura, Toyota will establish a separate marketing and advertising entity, staff the new division from within, introduce larger, more powerful and more expensive products, and eventually set up about 250 to 300 new dealer franchises.

Unlike Acura, Toyota may drop requirements that new dealers establish separate facilities in favor of shared service and different showrooms because of widespread dealer concern over costs.

Nissan Motor Corp. in U.S.A., which has been studying a similar move for years, is considered likely to follow quickly, although some sources believe Nissan does not need a second distribution channel yet and is less financially prepared than Toyota and Honda.

"Every company in the industry periodically looks at its distribution network to see what efficiency improvements it can make," a Nissan spokesman said. "No decision has been made yet. Whatever we do, we already have a good dealer network. We wouldn't want to undercut that."

Nissan Motor Co. is planning to market a low-volume car jointly developed and produced by Zagato S.p.A. of Milan, Italy, and Autech Japan, a Nissan subsidiary. The car is expected to sell for more than $70,000; annual production will be less than 100 units.

At least one, and possibly two, of the new Toyota division's models will be equipped with V-8 engines under development by Toyota. The division, with prices likely to start about $15,000 to $17,000 and go to the high-$20,000 range, will be positioned slightly above Acura but aimed more at European and American luxury cars.

Toyota's second channel is unlikely to slow Acura's progress toward an announced sales goal of 250,000

see TOYOTA, page 49

PART WARS

U.S. automakers blast gains by aftermarket sheet metal

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

"Parts is parts" says the character in a recent fast-food television commercial. But when it comes to the sheet metal body parts used to repair wrecked autos, auto manufacturers claim theirs are better than those manufactured by independents overseas.

Distributors of the aftermarket sheet metal counter that the auto manufacturers are complaining only because low-priced aftermarket parts are cutting into a lucrative OEM monopoly.

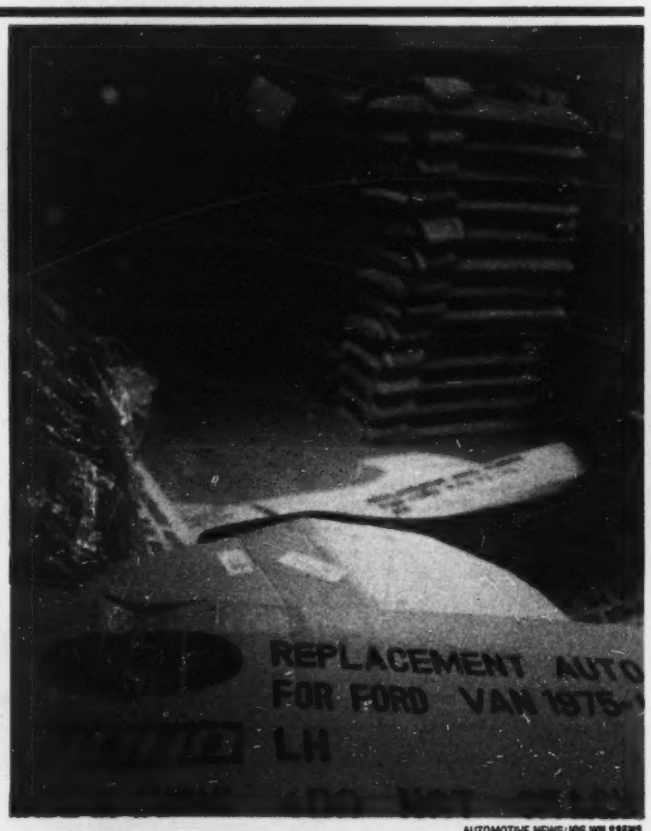
The sheet metal aftermarket has grown from virtually nothing to five percent of the crash-parts industry in three years.

Auto manufacturers claim its rapid ascent is the result of unfair pressure from insurance companies demanding that body shops use cheaper, inferior, "imitation" crash parts.

Insurance companies, on the other hand, claim the lower priced aftermarket sheet metal has forced automakers to cut their prices on crash parts as much as 60 percent.

At the heart of the controversy is one question: Are OEMs trying to maintain a monopoly in this lucrative segment, or do they have a legitimate beef against the pricing and quality of the newcomers?

The OEMs say they cannot compete with low costs due to shoddy production techniques used by aftermarket manufacturers — mostly based in Taiwan,



AUTOMOTIVE NEWS/JOE WILSEMS

ck handler stacks replacement fenders that were stamped in Taiwan

GM, dealers try regional rebate

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

In a 10-week pilot program, selected owners of General Motors cars and light trucks in four market areas are receiving cash rebates of $200 to $1,500 in addition to other incentives if they purchase a 1987 or 1988 GM car or truck.

GM is evaluating the program for a national rollout if it is successful. GM said it wants to determine how consumers respond to a direct-mail incentive program.

Although some dealers speculated that the new program might be the basis for a cleanup incentive on the 1987 models, a GM spokesman replied "absolutely not" when asked if that were the case.

GM also has extended all other incentive programs — both rebates and low-interest loans — until June

see REBATE, page 47

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Hail and farewell at Ford Design

Kopka details a 'golden era' after 3 decades of evolution

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

While Donald F. Kopka views the 1980s as the launch of a golden era of automobile design, the last three decades have marked an evolution he's glad he witnessed.

The 60-year-old vice president steps down from his job as head of Ford Motor Co.'s Design Staff today. And though the automaker and its designers are riding a crest of success, Kopka says he'd rather be ending his career now than starting it.

"The era that I came through was probably the most exciting," says Kopka, who began his career as a styling trainee with Chrysler in 1950 and joined Ford in 1964. "There was so much change. It was kind of wild and fun in the old days, and I wouldn't have traded that for anything."

He concedes that the U.S. auto industry created some abominations in the name of styling during the era of chrome and tail fins, but it turned out some gems too. In Ford's case, he points to the 1949 Ford and the first Thunderbirds and Mustangs of the following decades.

The 1970s, in comparison, were hostile to design, he says. The art of shaping a car was sacrificed to the demands of fuel economy, emission controls and crash regulation. But the period also paved the way for Ford's current prosperity when the automaker first began using wind tunnels to improve fuel efficiency, Kopka says.

Ford's aerodynamic design had its roots in the demands for a car that would meet less resistance as it cut through the wind. And in Kopka's view, further refinements of that shape will lead to landmark changes in the way cars are built.

"I've called it a gold mine, and the fact is, we've hardly gotten into the thing," he says. "For the next 15 to 20 years, there's going to be gold mined through the application of aerodynamics."

He ticks off some other advantages: Aerodynamics will virtually eliminate noise. Cars will hold the road better when angled toward the ground. Even glass will stay cleaner.

With the changes will come some new ways of building cars. Radiators will be moved to the rear so

see KOPKA, page 50

Telnack, apostle of aero look, pledges more styling advances

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Jack Telnack, the designer credited with bringing the aerodynamic look to Ford Motor Co. cars, promises that the company will be nudging conventional thinking about design for years to come.

The 49-year-old Telnack takes over as head of Ford's worldwide design staff today (June 1). As chief design executive for Ford's North American Design Department since 1980, Telnack has his signature on such models as the 1983 Thunderbird and the Ford Taurus and Mercury Sable — cars that have played a big role in reviving Ford's image and its fortunes.

His new job "will be a continuation and expansion of what I've done in North America," said Telnack, who replaces the retiring Donald F. Kopka. "My main role and mission has been to build a design environment that will allow our design teams to express themselves creatively. That is my whole reason for being — I must stimulate the creative spirit throughout the entire organization."

Such ambitions for a design chief are a far cry from Telnack's earlier days at Ford, which he joined in 1958. "I was turning into a vegetable," he said, recalling the era when designers were known for decorating with chrome. Telnack moonlighted as a boat designer to keep himself challenged.

Now design has been elevated to new heights at Ford, and Telnack is relishing the chance to stay in the limelight at a new peak in his career.

He will be overseeing the work of Ford's 1,000 design employees in eight centers worldwide, in England, West Germany, Italy, Japan, Australia, Brazil and two centers in the United States.

He, Chairman Donald Petersen, President Harold Poling and Vice Chairman William Clay Ford put their stamp of approval on designs as they make their way toward production. Although Ford management is considered unusually receptive to innovation, Telnack's job will be to condition their thinking and make sure that new ideas get a fair shake.

Telnack also plans on being a catalyst to increase the flow of ideas between design centers. As the company and the industry become more global, Ford can profit from "cross-pollinating" concepts and design-

see TELNACK, page 50

Italian design house IDEA eyes U.S. site

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

TURIN, Italy — IDEA, Italy's rapidly growing design and engineering house, may establish a branch and possibly a production facility in the United States before the end of the decade.

Unlike two of its main Turinese competitors, Bertone and Pininfarina, nine-year-old IDEA (Institute for Development in Automotive Engineering) is not currently a specialist producer.

But coachbuilding may be in the company's future. President Franco Mantegazza said IDEA had studied the possibility of acquiring two different Italian body builders, though ultimately it rejected both.

He said the company also has been encouraged by an unnamed American client to set up a factory in the United States. "I'm more interested in building up a facility to produce cars in the States than in Italy for a lot of simple reasons," said Mantegazza. He cited higher taxes in Italy and more difficult relations with Italian labor unions.

The relatively unknown IDEA has been instrumental in styling Fiat's upcoming Type 2/3 replacements for the Ritmo hatchback and Regata sedan, and has been heavily involved in other future Fiat and Alfa Romeo products. With Fiat and Alfa Romeo now joined, the majority of IDEA's business is with the Fiat group.

Though none of IDEA's styling creations are yet on the road, it is expected to have nine of its designs in the market by 1990, including six Fiat models and three Alfa Romeos. The company has also styled the Ferrari 408 4x4, a concept car which Ferrari has said is not scheduled for production.

IDEA officials say entering the coachbuilding realm will not be a high priority for the next two years. "We have enough trouble to keep pace with a company growing 40-50 percent a year than to add the other big problem of forming a manufacturing capability," said Marzio Raveggi, head of business development. "I think we should stabilize a little bit."

"I am still fishing around for the right solution," Mantegazza added.

Of the two Italian bodybuilders IDEA considered buying, Mantegazza said he was skeptical about the organizational strength of one and said the other was rejected because of limited manufacturing capacity.

"It was too small and too big at the same time," he said. "The maximum you could make was 2,000 bodies per year and it is not enough. But it is too big to begin slowly and to develop."

Mantegazza, whose family is sole owner of IDEA, said he halted earlier consideration of a U.S. production facility after it no longer fit the needs of the client that suggested it. Furthermore, he said IDEA was not sure whether to buy an existing company or build up a new operation.

IDEA is also interested in forming an operating arm in the United States "if business will pick up," Raveggi said.

Neither Pininfarina nor Bertone has styling or engineering centers in the United States, preferring to remain based in Turin.

On the advice of "some of my American friends," Mantegazza said he considered locating an IDEA branch in California. Several automakers have established styling studios in southern California, site of most key American design schools. But Mantegazza is now convinced that such an operation should be in Detroit.

The company is looking to boost its American business substantially in the very near future. It currently has a three-person sales office in Warren, Mich., that serves as a liaison with IDEA's Detroit clients, including General Motor's Buick-Oldsmobile-Cadillac and Chevrolet-Pontiac groups, Fisher Body and Chrysler Motors .

"We are now speaking about new products with General Motors but we have to wait for an answer from Detroit," Mantegazza said. He declined to elaborate on the pending deal.

Beyond styling, IDEA's range of services include body and chassis engineering, manufacturing engineering (including die design and alternative materials activity), computer-aided design, electronics applications, and model and prototype construction.

IDEA would like to increase its North American revenues to 10-12 billion lire ($7-9 million) by 1989-90, thereby reducing dependence on Italian revenues to 30-35 percent of the total.

With a workforce of 190, IDEA's sales revenue in 1986 totaled over $12 million, up from about $7 million the year earlier. The company expects sales of more than $18 million in 1987.

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Six import execs to address World Congress

So far this year, imports have accounted for more than 28 percent of the U.S. new-car market.

Imports will also get their share of attention at the 12th annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency in Dearborn, Mich.

This year's overall Congress theme is "Facing Up to Competitive Times."

Six speakers with import ties are scheduled to appear on this year's program: Robert J. Sinclair, president, Saab-Scania of America Inc.; Norman Braman, chairman, Austin Rover Cars of North America; William Prior, president, Global Motors Inc.; John E. Reilly, senior vice president, American Isuzu Motors Inc.; Charles Hughes, president, Range Rover of North America Inc.; and Michael Kimberley, managing director and chief executive officer, Group Lotus.

Sinclair, who is also board chairman of Saab-Scania of Canada Inc., will speak at the Tuesday Evening Gala dinner on July 28.

Prior, Reilly and Kimberley will be general session speakers on Tuesday morning, when the day's theme will be the "Impact of a Global Perspective."

In addition to his responsibilities as president of Global Motors, Prior is president of its subsidiaries Yugo America Inc. and Proton America, which plans to import the Malaysian-built Proton Saga early next year.

On Monday, July 27, when the day's theme will be "Recoveries and Strategies for the Domestic Industry," Braman will address a General Session on the topic, "Bringing a New Car to Market." Hughes, whose Range Rover also is new to U.S. shores, will speak at an afternoon workshop, focusing on "How Specialty Vehicles Fit in the U.S. Market."

Braman's company is importer-distributor of the Sterling, a British luxury sedan.

In all, the Congress will have more than 30 speakers, sharing their knowledge and viewpoints on where the auto industry stands today and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

GM narrows CAD/CAM candidates

By Jake Haas
SPECIAL CORRESPONDENT

General Motors is attempting to consolidate its computer aided design/computer aided manufacturing (CAD/CAM) hardware base by standardizing its design systems around three "strategic partners."

GM is in final negotiations with the five finalists of a 27-company field. To select the partners, GM and its Electronic Data Systems subsidiary have written a 400-page specification detailing the automaker's CAD/CAM requirements. Despite its length, the document is considered an excellent and realistic detailing for a large integrated CAD/CAM system.

GM-EDS and the finalists are mum on the final talks, except for a comment by an EDS spokesman that two more firms will be eliminated.

The five finalists are Cadam Inc., a subsidiary of French aircraft builder Dassault based in Burbank, Calif.; Catia, Los Angeles; Computervision Corp., Bedford, Mass.; Intergraph Corp., Huntsville, Ala.; and McDonnell Douglas Corp., St. Louis. IBM is involved indirectly: It distributes both Cadam and Catia software for its computer products.

GM already has one of the largest and most sophisticated CAD systems in the world with approximately 22,000 workstations. A CAD system of GM's own design accounts for about 35 percent of the stations. However, products from a wide variety of other vendors, including the finalists, are scattered throughout the company.

GM is seeking compatibility and integration of those diverse systems and its home-grown system. The CAD/CAM systems are also expected to be compatible with GM's manufacturing automation protocol/technical-office protocol (MAP/TOP) plant/office networks as the automaker continues its automation drive toward computer integrated manufacturing based on company-wide database and engineering exchange.

$7 million HFX Ghia Aerostar

AUTOMOTIVE NEWS/JOE WILSSENS

An Aerostar for future

Concept vehicle loaded with electronics

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. and 17 of its outside suppliers have created a $7 million concept vehicle, called the HFX Ghia Aerostar.

It is a test bed for determining the "feasibility and practicality" of a variety of new electronic safety, performance and comfort features for future light trucks.

Donald F. Kopka, who retires today (June 1) as vice president — Design, predicted that many of the concept vehicle's features will be "standard equipment in light trucks of the future," but he wouldn't hazard a guess as to which ones will show up when.

Charles A. White, chief engineer, Ford light-truck chassis engineering, said that "four-wheel steering bears watching and investigating, and Ford Motor Co. is working on that."

He also said that, with rear anti-lock brakes on 700,000 Ford trucks in the 1987 model year, "expansion to a four-wheel anti-lock brake system would, I think, be an easier thing to do than some of the things farther down the road, such as sonar."

The vehicle has a sonar system that alerts drivers to adjacent vehicles and is a help in parking.

The concept vehicle, a joint effort by the Ford Design Staff in Dearborn and its Ghia Studios in Italy, took 27 months to complete and incorporates 26 on-board computers monitoring various functions.

Its features include a "driver personality key" that automatically sets the driver's seating position and the positions of the mirror, brake and accelerator pedals and safety-belt shoulder strap when the driver inserts the key in the door lock.

The brake and accelerator pedals can be adjusted as much as four inches to accommodate shorter- or longer-legged drivers.

The Ghia Aerostar also has an air suspension system similar to that on the 1987 Lincoln Mark VII and Continental.

The vehicles' grille louvers react automatically to engine temperature. They're closed during cold starts and they open as the engine coolant heats, providing air flow.

Special inside and outside mirrors, with an electrochromic cell, adjust automatically to different light conditions to eliminate glare.

Liquid crystal technology allows the driver to adjust the rear and side windows from clear to dark for privacy.

The vehicle also has four-wheel disc anti-skid brakes, a sonar system and "run-flat" tires and wheels.

Other features include a liquid crystal diode liftgate message display with pushbutton controls. A driver can run seven different messages, like "send help" and "do not pass" across the back of the tailgate.

Ford officials said they plan to display the vehicle at an auto show in Chicago and also at the show in Frankfurt, West Germany.

Top officials at AMC to get year's pay if not hired by Chrysler

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

American Motors' top 125 executives will be guaranteed one year's salary if they are not hired by Chrysler Corp. after Chrysler acquires AMC.

Other AMC salaried employees set adrift by the merger will receive separation packages ranging from several months' pay to one year's salary, depending on length of service, according to an AMC spokesman.

AMC would not disclose the formula it will use to compensate those employees.

No employee will receive more than one year's salary under AMC's Salaried Retention Program, eliminating any "golden parachutes" for high-ranking AMC executives not retained by Chrysler, according to an AMC spokesman.

Golden parachutes are multifaceted separation packages that provide salaries, benefits and even bonuses for several years. They are common in mergers.

All 5,700 AMC salaried employees will receive information packets this week detailing what options are available to them if they are not offered jobs at Chrysler. An AMC source said the packets will detail the dollar compensation, based on length of service, that all salaried employees not retained by Chrysler will receive.

According to an AMC spokesman, the automaker's 1986 payroll for salaried employees totaled $231.5 million and the payroll for all employees was $610 million. AMC had 5,715 salaried employees and 15,765 hourly employees as of April.

At a meeting of AMC's 125 bonus roll employees last Wednesday, Chrysler Motors Chairman Gerald Greenwald said the impending Chrysler buyout of AMC is a "merger, not a dismantling" of the company. The meeting was held at a New Hudson, Mich., conference center and was closed to the press.

One attendee, who wished to remain anonymous, said Greenwald took a very "humanistic" approach to the AMC employees' feelings about the impending merger and "helped to put everything (about the merger) into perspective." Greenwald, according to the source, discussed what events typically take place in a merger, but did not detail how many AMC employees would be retained by Chrysler.

The AMC acquisition comes as Chrysler is trimming its own white-collar workforce through attrition. Chrysler said it plans to institute a white-collar hiring freeze, limit merit pay for its top 1,800 executives and cut overtime pay for 5,200 salaried employees.

Those steps are part of a plan to slash Chrysler's expenses by $500 million by the end of 1987.

Those attending Wednesday's AMC bonus-roll meeting were told that employment opportunities at Chrysler would not be discussed until after the merger is consummated — or in about 90 days. Chrysler said it would like to complete the $1.5 billion buyout by Aug. 15.

No outplacement firms have been hired by AMC to locate new jobs for employees not retained by Chrysler, according to the AMC spokesman. However, AMC has hired R.E. Harrington Inc., Columbus, Ohio, to handle its unemployment compensation accounts with state agencies. The firm oversees the company's unemployment compensation account with individual states to be sure claims are handled correctly.

Robert Parker, Harrington president said compensation packages received under a merger situation may delay the payment of unemployment benefits to a non-retained employee. He added that the domestic automakers have adequate unemployment funding with the states to cover large layoffs or terminations when needed.

Study says import breakdowns top domestics

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

A researcher says European and Japanese cars are breaking down on New York-New Jersey highways at a rate nearly 50 percent higher than domestic makes.

Amar Dev Amar, associate professor of management and industrial relations at Seton Hall University in South Orange, N.J., said his study of comparative breakdown rates by make "indicates that certain makes had much higher rates of highway breakdowns than others." An independent analysis of Amar's data conducted by Automotive News supports those findings.

Comparing all makes of cars — domestic and foreign — Audi, Volkswagen and Nissan topped the list for highway breakdowns, according to Amar. Renault, Ford and Toyota were next.

Amar's study, which searched New York and New Jersey highways for vehicle breakdowns in 1985 and 1986, found Audi breakdowns five times as often per 100,000 vehicles registered in those states as the rate for Mazda and Subaru.

Imports did not fare well in the overall study. On the average, Japanese cars had a breakdown rate 25 percent higher than that of domestic vehicles. European cars broke down 30 percent more often than Japanese cars and nearly 70 percent more often than domestic cars.

Oldsmobile had the lowest breakdown ratio of all vehicles in the survey — 4.7287 per 100,000 registrations — and was used as the index by which comparisons with other vehicles were made. (Mazda showed a slightly lower rate of breakdowns than Oldsmobile, and Subaru showed the same rate, but they were not used as the standard because of their low penetration in the marketplace.)

According to the study, when compared to Oldsmobile, Honda had a 48 percent greater likelihood of breaking down; Mercedes-Benz, 56 percent; and Fiat, 90 percent.

In the domestic-car sampling, Ford fared the worst with a 119 percent greater likelihood of a breakdown than Oldsmobile. Cadillac followed at 97 percent, Pontiac at 94 percent and Lincoln at 86 percent.

Buick was less likely to break down than either Plymouth or AMC. And in the luxury class, both BMW and Mercedes were less likely to break down than Cadillac.

Amar said he undertook the study because the probability of a highway breakdown should be a consideration when consumers buy a new car. He said the survey was not financed by any outside organization. Data was gathered by Seton Hall University personnel.

Researchers collected data on 953 highway breakdowns of passenger cars on New York and New Jersey highways during 11 months from the summer of 1985 to the spring of 1986.

The study consists of 33 domestic and foreign makes of cars and more than 100 car models.

Findings are based on a comparative study of make, model and country of origin for passenger cars discovered disabled on the highway by the data collectors. Breakdowns caused by flat tires or running out of gas were not included.

Amar calculated the number of breakdowns for a specific make of car against the number of registered vehicles of that make in New Jersey and New York, then converted the number to a ratio per 100,000 registered vehicles.

The study does not measure or compare vehicle maintenance, age of the vehicles, mileage, or engine and component wear.

Amar said his findings should be relevant nationally because the New York-New Jersey area has a car population 79.4 percent domestic and 20.6 percent foreign, compared with a similar nationwide population of 78.8 percent domestic and 21.2 percent foreign.

The American Automobile Association in Washington said it was not aware of any similar studies. But Amar said he plans another identical study this summer.

HIGHWAY BREAKDOWN INDEX

	SAMPLE SIZE	INDEX
Audi	15	5.42
Volkswagen	59	3.99
Nissan/Datsun	67	3.35
Renault	3	2.96
Ford	137	2.19
Toyota	49	2.16
Cadillac	89	1.97
Pontiac	71	1.94
Fiat	8	1.90
Lincoln	11	1.86
Chevrolet	189	1.79
Dodge	47	1.76
Mercedes	7	1.58
Mercury	30	1.53
Honda	20	1.48
Chrysler	19	1.48
AMC	16	1.40
Plymouth	38	1.39
Buick	57	1.38
BMW	3	1.15
Volvo	5	1.09
Plymouth Imports	2	1.04
Oldsmobile	45	1.00
Subaru	5	1.00
Mazda	4	0.98

SOURCE: A.D. Amar, Seton Hall University

All-leather trail blazer
Concepts Automotive, Mishawaka, Ind., has introduced a Custom Leather Edition of the Chevrolet S-10 Blazer, a package also available on the GMC S-15 Jimmy. For a dealer cost of $2,800, the package features full-leather front and rear seats; leather door inserts and rear-quarter trim panels; leather-wrapped steering wheel; and special wheels, tires and paint design.

Van Masters' new mini conversion package
Van Masters, Columbus, Ohio, offers its new Star Van luxury conversion on Dodge, Chevrolet and Ford minivans. The conversion features an American Sunroof Corp. electric, retracting and venting sunroof; compact disc player; and lower body molding. Van Masters, a consignment pool company, said it can finish a Star Van within 10 days of receiving the raw unit from a manufacturer.

New Vixen model
Vixen Motor Co., Pontiac, Mich., has introduced a 1988 Vixen XC model. The new vehicle, although sharing the aerodynamic outward design and engineering components of the Vixen 21, is more of a "grand touring" vehicle. It does not have cooking or shower facilities and, although it can be slept in, the internal design is geared toward executive and salesperson-type transportation and tailgate-party use. The new model, with a manufacturer's suggested retail price of $34,990, is designed to compete more in the luxury van conversion market than the motor home market.

Cozy Craft revamps van line
Cozy Craft Vans, a division of Travelcraft Industries, Elkhart, Ind., redesigned the interiors of its All Star and Tourist van conversions with touches like plush highback recliner-swivel chairs, a rear overhead console and oak decoration. It also has a new Elegante model, featuring six-way power driver's seat, Euro-style highback recliner-swivel chairs and designer door panels.

RV shipments increase 11%

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale shipments of recreational vehicles climbed 11.1 percent in March, continuing a steady, strengthening trend.

March shipments totaled 39,100, up from 35,200 in the year-earlier period, according to the Recreation Vehicle Industry Association.

First-quarter shipments of 102,200 were up 4.0 percent from 98,300 last year, according to the RVIA.

Customized van shipments are beginning to rebound. Shipments of 17,700 in March were up 4.1 percent from 17,000 in the same period of 1986.

For the first three months of this year, customized van shipments totalled 46,400, off 4.1 percent from 48,400 in the same period last year.

Ford dealers have stocked a record number of customized vans for the retail market, reflecting their optimistic outlook, according to Dave Tarrant, Ford Division RV/OEM sales manager.

Wholesale shipments of other RVs also were up in March.

Truck camper shipments totaled 1,200 in March and were particularly strong, showing a 71.4 percent increase. Their three-month tally of 2,500 was up 56.3 percent from a year earlier.

Similarly, van camper shipments totaled 500 in March and were up 66.7 percent from a year earlier. Their three-month total of 1,600 was up 23.1 percent from a year ago.

Meanwhile, industry suppliers, such as ITT Commercial Finance Corp., of Clayton, Mo., see a strong market for the balance of the decade. ITT Commercial, one of the larger companies specializing in RV dealer floorplanning, monitors retail and wholesale liquidation and volume.

The company cited such positive factors as tax reform, which is expected to create more discretionary income; baby boomers entering the prime RV-buying years; stable or declining RV manufacturing costs, which are expected to hold down new-vehicle prices; and increased acceptance of the RV lifestyle.

ITT considers RV dealers and manufacturers to be generally prudent and financially sound. The RV industry accounts for about 10 percent of its total commercial lending.

Recreational Vehicle Wholesale Deliveries

	March 1987	March 1986	% change	3 months 1987	3 months 1986	% change
Travel trailers	9,200	8,400	+ 9.5	24,900	22,800	+ 9.2
Folding camping trailers	4,400	3,900	+12.8	10,400	9,900	+ 5.1
Truck campers	1,200	700	+71.4	2,500	1,600	+56.3
Towable RV total	14,800	13,000	+13.9	37,800	34,300	+10.2
Conventional (type A)	3,500	2,700	+29.6	9,600	8,100	+18.5
Van Campers (type B)	500	300	+66.7	1,600	1,300	+23.1
Chopped vans (all)	2,600	2,200	+18.2	6,800	6,200	+ 9.7
Motor home total	6,600	5,200	+26.9	18,000	15,600	+15.4
Van conversions	17,700	17,000	+ 4.1	46,500	48,400	- 4.1
TOTAL ALL RVs	39,100	35,200	+11.1	102,200	98,300	+ 4.0

Source: Recreation Vehicle Industry Association

RVIA schedules space drawings

RESTON, Va. — The Recreation Vehicle Industry Association has set exhibitor space drawing dates for its two biggest shows and also has scheduled meetings to discuss new manufacturing standards.

The drawing for exhibit space at the RVIA's 1987 National RV Trade Show in Louisville, Ky., will be held June 30 at its headquarters here.

Manufacturer space assignments will be made through a lottery system, starting at 9:30 a.m., according to Steve Krivian, director of corporate marketing services for Thor Industries, Jackson Center, Ohio, and chairman of RVIA's 1987 Louisville Show Committee.

The first draw will go to RVIA members with six years' seniority as participants in the show, the second draw to all other RVIA members and the third to non-member exhibitors.

Due to heavy demand, space will be allocated to manufacturers.

Each manufacturer's allocation will be based upon the amount of its contribution to the total revenue RVIA received in fiscal 1986 for membership dues and on the purchase of seals and manufacturer certificates of origin which RVIA sells.

Non-RVIA members and new members are limited to 1,000 net square feet of space under the allocation system.

Supplier space assignments will be made immediately after all manufacturer space is assigned, using the established seniority system combined with the lottery system.

RVIA's National RV Show, now in its 25th year, is expected to draw more than 12,000 RV dealers and other industry officials to the Kentucky Fair and Exposition Center in Louisville, Dec. 1-4.

Meanwhile, drawings for supplier and manufacturer exhibit space at the RVIA's 35th annual RVIA Recreation Vehicle Show in Los Angeles will be held July 29 and 30, respectively.

Both drawings will be held at RVIA's Western region office in Orange, Calif., beginning at 9 a.m. each day, according to Bob Lee, president of Country Coach Inc., Junction City, Ore., and chairman of the Los Angeles show committee.

As for the Louisville show, supplier and manufacturer space assignments will be made through a lottery system, with RVIA members with six years' seniority as show participants getting the first draw, other RVIA members the second and non-member exhibitors the third.

Suppliers and manufacturers who plan to exhibit in the show must send a completed application and 50 percent deposit to RVIA's Western region office by July 23 to be included in the space assignments on July 29-30.

Firms whose applications with deposits are received after that date will be assigned space after all other requests for space have been filled.

Meanwhile, the RVIA will hold a series of meetings in Indiana and California in June to discuss forthcoming changes in the American National Standards Institute's 1987 edition of the National Standard for Recreational Vehicles and the 1987 National Electrical Code.

In both Indiana and California, the association has scheduled a one-day standards seminar, followed by a general membership meeting, reception and dinner, according to RVIA chairman Don Cuzzocrea, president of Starcraft, a Lear Siegler Co. in Topeka, Ind.

The Indiana meetings will be held June 16, beginning with a standards seminar in South Bend and a later general membership meeting and reception in Elkhart.

The California meetings will be held June 18 in Anaheim.

NEW LOOK: *Dealer 'professionalism' to be stressed at RVDA convention in New Orleans*

FAIRFAX, Va. — In an era of tough selling and scarce service personnel, the Recreation Vehicle Dealers Association is planning a "new look" at its convention and exposition.

The event will be staged Sept. 27 to Oct. 1 in New Orleans.

The event's theme, "A new look in New Orleans," is designed to emphasize the growing professionalism of dealers in accommodating customers in what has become a $12 billion industry.

For the first time, RVDA will provide a showcase for manufacturers and distributors of products (other than rolling stock) that are required to operate an RV dealership professionally.

Jerry Harrison, RVDA show chairman, said the event is planned to assist not only dealer owners, but second-level management as well, including sales, service and parts managers.

Two educational sessions and a new exposition will emphasize merchandising and marketing of RV parts, accessories and service.

Nearly 1,000 aftermarket dealers not previously included in RVDA conventions are being invited to attend the New Orleans meeting.

The exhibition, which includes rolling stock, will give exclusive attention to parts and accessories, office systems and shop tools and equipment.

Engine toll is heavy at Indy 500

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

The echoes of powerful Indy 500 race engines had hardly faded over Speedway, Ind., when at least two broken powerplants were being flown back to their builders for diagnosis and repairs.

Those two were Chevrolet mills from the cars of Rick Mears, who finished 75 laps, and Danny Sullivan who finished 160 laps. The preliminary diagnosis on both engines was "massive lower end failure," which meant troubles in the crankcase area.

Mario Andretti's Chevy engine experienced failure of a component in its fuel metering unit after 180 laps of the 200-lap race. He was leading at the time. Andretti reported the problem caused extremely erratic fuel delivery. Chevy engines in cars driven by Kevin Cogan and Emerson Fittipaldi failed after oil pump castings cracked. Cogan completed 21 laps and Fittipaldi 131.

In the Chevy Indy engine, each of the eight cylinders has its own oil pump. A car driven by George Snider and powered by a stock-block Chevy engine, experienced a fire before completing a lap.

Honda powerplants were in two racers but neither had factory support, either technical or financial, Honda said.

Jeff MacPherson drove one of the Honda-powered cars to finish in eighth place with 182 laps. Geoff Brabham in the other finished 71 laps before pulling off the track when instruments indicated the engine was about to fail.

Later, it was determined the instruments were wrong and no failure was approaching.

There were four six-cylinder Buick engines in the race and none completed the Memorial Day classic.

One was in the racer driven by Rick Sneva, which crashed after 143 laps.

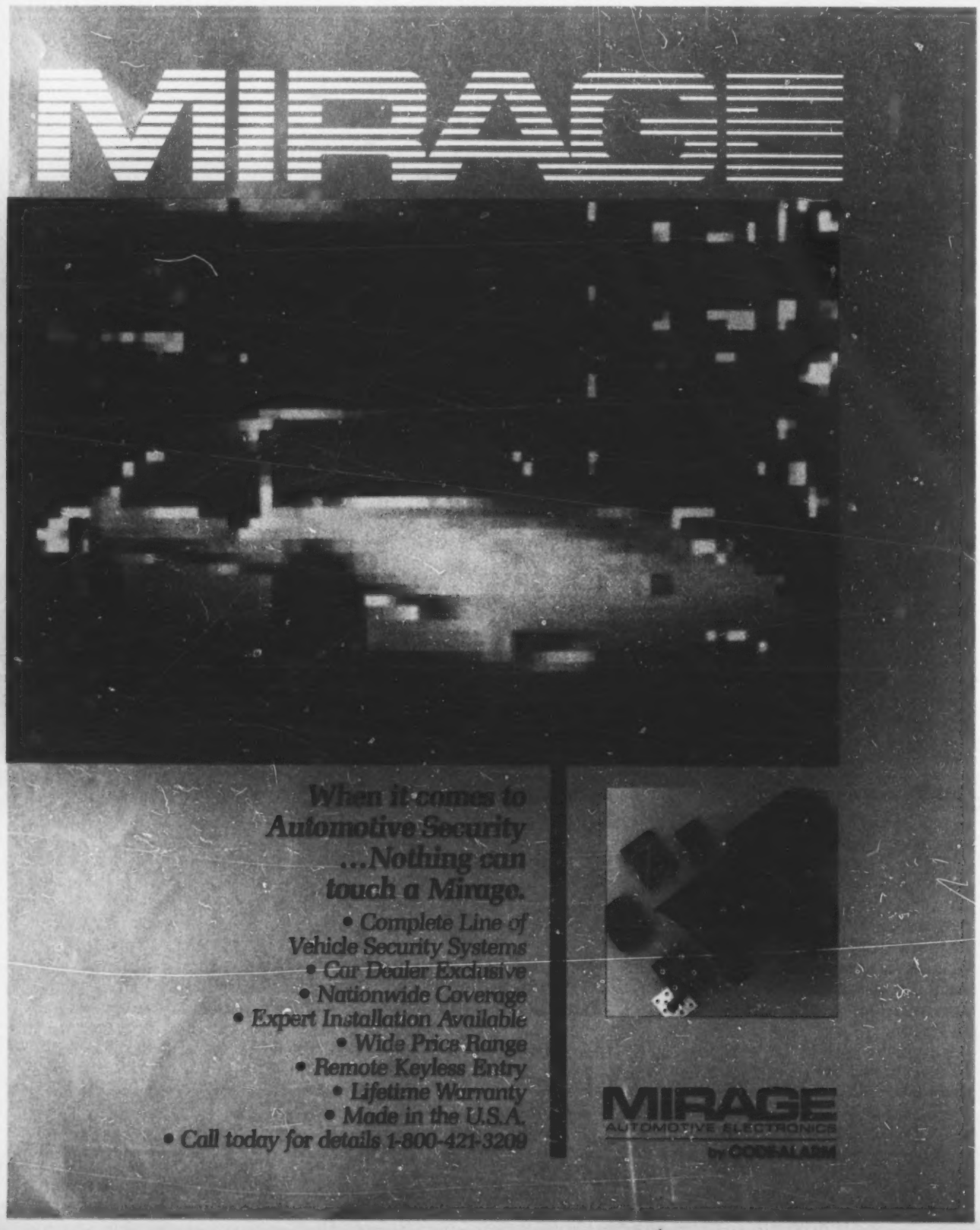
Gordon Johncock and Rich Vogler over-revved their Buick engines, valves broke and the cars were out of the race. Tachometers peg at 10,000 rpm and aren't built to take more than that, Buick engineers said.

Johncock said his over-revs came at 76 laps when the throttle stuck. Vogler's occurred on lap 109 when the tires suddenly lost their traction. Before the driver could hit the clutch, the damage had been done.

Derek Daly completed 132 laps with Buick power. Early in the race, one of his car's twin turbochargers stopped working. That caused an increase in pressure and rising heat and a piston cracked.

Al Unser Sr. won the race in a March-Cosworth. He finished 4.4 seconds ahead of Roberto Guerrero in another March-Cosworth. Unser averaged 162.175 mph.

Iacocca, Shelby share pace-car duties
Lee Iacoeca, left, Chrysler Corp. chairman, and Carroll Shelby, performance-car builder and former race driver, shared pace-car duties at the Indianapolis 500. Shelby drove the official pace car, a 1987 LeBaron convertible with a 2.2-liter intercooled turbocharged engine. Iacocca rode in the LeBaron convertible that was the first parade car.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Sales dip 15% for May 11-20

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of new cars built in the United States fell sharply from the year-earlier total in mid-May.

Retail deliveries for the May 11-20 period tumbled to 221,127 units, down 15.50 percent from 261,680 last year.

The fall occurred despite widespread sales incentive plans. At the same time, there were reports of mounting buyer and seller disenchantment with those plans. The plans are being called too complex, confusing and stale.

American Motors reported that mid-May sales fell 58.18 percent from last year. General Motors said sales dropped 30.05 percent, and Volkswagen said sales were down 19.68 percent. Chrysler Motors' sales were off 14.20 percent.

Nissan reported that it sold 22 times as many cars this year as it did last year. Nissan's U.S. car assembly line was down for model changeover at this time last year.

Honda said its sales were up 71.44 percent in mid-May, and Ford Motor Co.'s sales increased 6.75 percent. Toyota sold 1,259 cars; it was not building cars in the United States last May.

There were nine selling days in mid-May this year and eight last year.

The domestic industry's daily-selling rate in the period averaged 24,570 units, up 30.06 percent from 18,891 in the first 10 days of May. In mid-May last year, the daily selling rate was 32,710.

DOMESTIC SALES

	May.11-20, 1987	May.11-20, 1986
Renault		
Alliance-Encore	455†	1,275†
AMC	145†	160†
American Motors	600	1,435
Chrysler	6,212	9,750
Plymouth	9,359	11,306
Dodge	11,269	12,557
Chrysler Motors	26,840	33,613
Ford	43,796	43,422
Mercury	15,162	13,073
Lincoln	6,026	4,380
Ford Motor Co.	64,984	60,875
Buick	13,673	22,618
Cadillac	9,304	8,788
Chevrolet	45,489	56,370
Oldsmobile	21,598	46,006
Pontiac	21,455	25,655
General Motors	111,519	159,437
Volkswagen	2,114	2,632
Honda	5,865	3,421
Nissan	5,946	267
Toyota	1,259	0
U.S. Industry Total	221,127	261,680

†—Estimate

AUCTION DATES

American Motors

June 2 — D-A Auto Auction, New Stanton, Pa.

June 3 — Minneapolis Auto Auction, Plymouth, Minn.

June 4 — Corry Auto Auction, Corry, Pa., and Greater Chicago Auto Auction, Chicago

June 5 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

June 2 — Flordia Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

June 3 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

June 4 — Fredericksburg Auto Auction, Fredericksburg, Va.

June 5 — St. Louis Auto Auction, Bridgeton, Mo.

June 9 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

June 10 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

June 11 — Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Northway Exchange, Clifton Park, N.Y.

Used Car Sales
Auction Averages

May to date	$5,871
Month ago	$5,832
Year ago	$5,143

Ford Motor Co.

June 2 — Indianapolis Auto Auction, Indianapolis

June 3 — Northway Auto Auction, Clifton Park, N.Y.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

June 4 — Nashville Auto Auction, Nashville, Tenn.

June 9 — Harrisonburg Auto Auction, Harrisonburg, Va.

June 10 — Atlanta Auto Auction, Red Oak, Ga., and Concord Auto Auction, Acton, Mass.

June 11 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Bay Cities Auto Auction, Hayward, Calif.

June 17 — Lakeland Auto Auction, Lakeland, Fla., and Southern California Auto Auction, Fontana, Calif.

June 18 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Minneapolis Auto Auction, Plymouth, Minn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

June 2[illegible] — South Seattle Auto Auction, Kent, Wash.

Model Breakdown
Auction Averages

	MAY 1987	APR 1987	MAR 1987
1987	$11,046	$13,266	$13,443
1986	$9,287	$9,460	$9,609
1985	$7,194	$7,236	$7,305
1984	$5,718	$5,732	$5,825
1983	$4,873	$4,842	$4,860
1982	$3,705	$3,727	$3,755
1981	$2,705	$2,635	$2,643
1980	$2,141	$2,170	$2,155
Overall Average	$5,871	$5,832	$5,829

June 24 — Columbus Fair Auto Auction, Obetz, Ohio, and Clanton's Auto Auction, Darlington, S.C.

June 25 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; St. Louis Auto Auction, Bridgeton, Mo.; and Bay Cities Auto Auction, Hayward, Calif.

General Motors

June 2 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and 166 Auto Auction, Springfield, Mo.

June 3 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

June 4 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

June 10 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Brasher's Auto Auction, Fontana, Calif.

GM employees earn $14 million in perfect-attendance bonuses

DETROIT — About 277,000 of General Motors' 379,000 U.S. hourly employees have received first-quarter perfect-attendance awards of $50 each. The awards totaled $13.9 million.

GM's contract with the UAW provides attendance bonus payments of $50 for hourly employees with perfect attendance in any quarter. Perfect attendance in three quarters is worth $50 per quarter plus a special award of $150 for a total of $300. Perfect attendance for four quarters earns employees $50 per quarter and a bonus of $300 for a total of $500.

The program was negotiated in 1984 and went into effect Jan. 1, 1985. GM paid $132 million in perfect-attendance awards in 1986 and $125 million in 1985.

GM also said it paid increased retirement benefits totaling $1 million during April to 35,000 hourly and salaried persons who retired on or after Oct. 1, 1984, or to their surviving spouses.

The payments were made in accordance with GM's various pension plans.

Employees who retired prior to Oct. 1, 1984, had received lump-sum payments totaling $41 million as of December 1985 and $40 million more through December 1986.

During April, GM paid $181 million in retirement benefits to almost 300,000 retirees and surviving spouses.

AUCTION NEWS

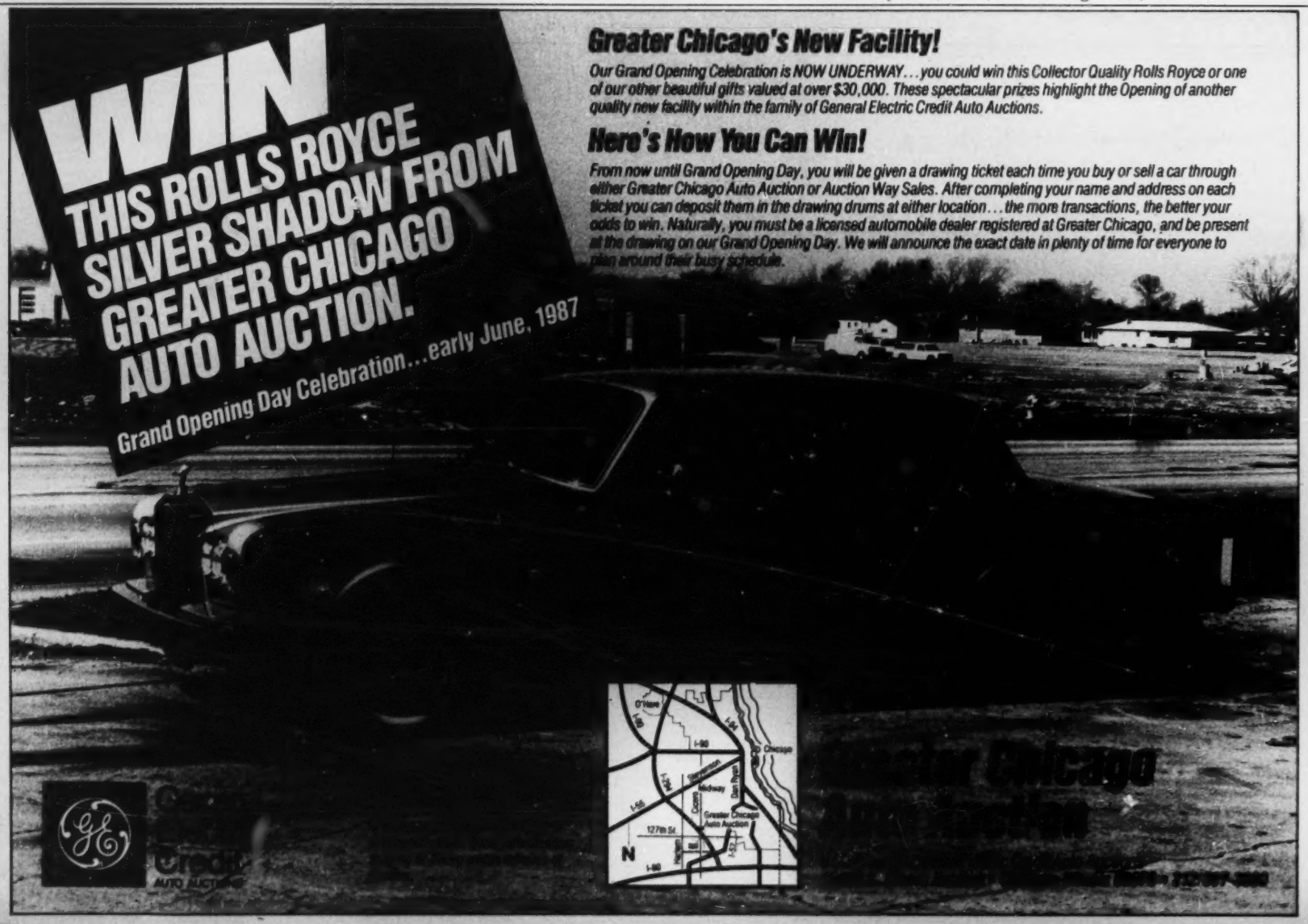
Lakeland Auto Auction's annual Marathon Eight Sale moved 67 percent of the 3,366 cars entered. Ford Motor Co. offered 845 cars and trucks and sold them all. The auto auction is in Lakeland, Fla.

The **Portland Auto Action**, Portland, Ore., co-owned by Don Kennedy and Roger Sheik, has been sold to General Electric Credit Auto Auctions Inc., of Chicago. The purchase included the company's headquarters, an 18-acre site on Hayden Island and a 10.5-acre site adjacent to the auction facility. A Spokesman for General Electric Credit, which owns 11 auto-auction facilities in the United States, said that William Tiedemann, sales manager for the Kennedy-Sheik facility, will be general manager and Kennedy's son, Brian, will be operations manager. Kennedy and Sheik have been operating the auction since 1965. Currently, the venture has 104 full-time and part-time employees. Approximately 700 cars are sold at each auction, the company said.

An auction will be held exclusively for fleet, lease and rental car administrators on the first Wednesday of every month at the **Greater Lansing Auto Auction** facilities in Dimondale, Mich.

Winnipeg Auto Auction Inc. has opened in Winnipeg, Manitoba. Michael B. Lawrence is president.

Forty-two students from 12 states graduated recently from the **Mendenhall School of Auctioneering**, High Point, N.C.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PRODUCTION

Memorial Day cuts output; 135,810 cars built for week

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

The Memorial Day holiday cut last week's scheduled auto production to 135,810, down 8.80 percent from the previous week's 148,911 and down 1.10 percent from the year-ago week's 137,316. The 1986 week also included the holiday.

So far this year, 3,264,474 cars have been assembled, 8.40 percent below the 3,563,683 completed last year at this point.

Companies split last week's targeted output as follows: General Motors, 50.05 percent; Ford Motor Co., 24.86 percent; Chrysler Motors, 15.54 percent; Honda of America Manufacturing Inc., 3.95 percent; New United Motor Manufacturing Inc., 2.21 percent; Nissan Motor Manufacturing Co., U.S.A., 1.74 percent; Volkswagen of America, 1.18 percent; and American Motors, 0.47 percent.

GM's Fiero plant in Pontiac, Mich., and its Willow Run, Mich., plant resumed production last week (May 26). Both had been idle for one week for inventory adjustment.

As previously reported, GM's Arlington, Texas, and Fairfax, Kan., plants remain down for model changeover.

No Saturday (May 30) overtime was slated for any GM car plants.

Ford scheduled Saturday overtime at its Kansas City, Mo., plant.

All Ford plants are slated for daily overtime this week (June 1).

Chrysler's Sterling Heights, Mich., plant was scheduled for Saturday overtime. That plant and the Newark, Del., and St. Louis (No. 1) facilities are scheduled for daily overtime this week.

Truck production dips to 66,884

Scheduled truck production dropped to 66,884 units last week because of plant closings on Memorial Day.

Last week's targeted output was 15.76 percent below the prior week's 79,397 and 8.44 percent below the year-ago week's 73,050.

Year-to-date, 1,586,337 trucks have been assembled, 2.90 percent more than the 1,541,679 built last year at this time.

General Motors slated Saturday (May 30) overtime at its Baltimore and Detroit plants.

All Ford Motor Co. plants are scheduled for daily overtime this week (June 1).

Big week for trucks in Canada

Last week, Canadian truckmakers' scheduled 19,002 units, their highest production since the week of June 21, 1986, when 19,807 trucks were built.

Estimated output last week was 28.26 percent more than the previous week's 14,815. That week included the Victoria Day holiday. Last week's total was 14.00 percent above the year-ago week's 16,668.

So far this year, 344,369 trucks have been assembled, 14.09 percent below the 400,865 completed last year at this point.

Carmakers scheduled output of 17,609 units last week, 26.06 percent more than the previous week's 13,969 but 20.70 percent below the year-ago week's 22,206.

Year-to-date, 346,303 cars have been produced, 29.90 percent below the 493,994 assembled last year at this ...e.

As reported earlier, General Motors' Oshawa (No. 2) plant in Ontario remains idle for model changeover. When the plant resumes output later this summer, it will assemble the new GM10 cars.

The Oshawa facility previously built the Chevrolet Celebrity.

U.S. CAR	Week Ended May 30, 1987	Week Ended May 31, 1986	Week Ended May 23, 1987	Day	Jan. 1 to May 30, 1986	Jan. 1 to May 30, 1987
AMERICAN MOTORS	640	1,633	870	3,601	22,225	14,847
Renault Total	640	1,633	870	3,601	22,225	14,847
Alliance	640	1,459	870	3,601	19,484	14,847
Encore	0	174	0	0	2,741	0
CHRYSLER MOTORS	21,100	22,798	22,812	85,529	586,353	494,827
Plymouth Total	4,000	7,643	5,042	22,237	174,400	155,427
Horizon	0	3,427	0	0	67,617	32,997
Sundance	1,800	0	1,654	7,880	0	45,411
Reliant	2,000	2,989	2,116	9,049	79,312	61,417
Caravelle	850	878	1,104	4,430	23,949	23,968
Gran Fury	150	480	168	899	7,122	1,634
Chrysler Total	8,000	9,570	8,667	38,392	198,683	188,304
Laser	0	672	0	0	22,183	0
LeBaron K	1,200	1,883	1,521	6,197	51,194	36,352
LeBaron J	4,400	0	3,254	15,283	0	49,975
LeBaron GTS	900	645	795	3,842	27,177	18,400
N. Yorker/E-Class	1,200	1,037	1,666	6,509	40,111	36,967
Fifth Avenue	1,300	2,332	1,431	6,562	58,018	16,610
Dodge Total	7,200	8,576	8,303	34,900	223,270	181,096
Daytona	1,300	983	1,624	6,660	22,826	23,577
Omni	0	2,676	0	0	66,357	28,353
Shadow	2,200	0	1,959	9,343	0	44,893
Aries	2,100	2,520	2,805	11,126	57,376	48,751
Dodge 600	800	1,094	986	3,925	36,998	21,224
Lancer	500	422	535	2,398	24,892	11,699
Diplomat	300	901	394	1,450	14,821	2,619
FORD MOTOR	33,788	29,708	40,819	164,264	789,548	840,864
Ford Division	24,415	19,463	29,668	118,428	539,955	589,004
Escort	7,334	6,381	9,174	34,561	172,111	157,350
Mustang	3,682	3,022	4,563	18,156	82,956	86,005
Tempo	3,711	3,530	3,988	16,949	85,409	88,949
Taurus	6,335	4,484	7,840	31,606	119,039	186,742
Thunderbird	3,373	2,046	4,123	17,157	73,852	69,686
L-M Division	9,353	10,245	11,151	45,836	249,593	251,860
Mercury Total	6,087	7,304	7,051	28,450	170,335	173,575
Lynx	196	1,179	283	1,086	28,332	19,107
Capri	0	525	0	0	6,851	0
Topaz	1,568	814	1,472	6,585	28,690	26,810
Cougar	2,240	2,804	2,723	11,402	52,349	68,602
Sable	2,081	1,982	2,593	10,376	56,056	59,056
Lincoln Total	3,266	2,941	4,100	16,386	79,258	78,285
Continental	327	326	407	1,644	8,958	7,843
Lincoln	2,451	2,207	3,074	12,291	59,451	58,714
Mark VII	488	408	619	2,451	10,849	11,728
GENERAL MOTORS	87,974	74,573	89,598	303,385	1,939,571	1,605,397
Buick Total	11,056	14,475	12,420	43,868	330,997	253,424
Skyhawk	246	1,469	234	544	38,112	14,257
Century	2,946	4,387	3,767	13,907	108,785	80,139
Regal	958	1,772	954	4,485	25,419	19,419
Somerset/Skylark	912	2,119	1,106	4,679	44,515	31,923
LeSabre (fwd)	3,840	2,701	3,652	11,817	51,610	51,601
LeSab./Elec. (rwd)	60	256	20	175	6,189	4,364
Electra (fwd)	1,914	1,301	2,419	7,272	45,574	43,905
Riviera	192	471	238	986	10,493	7,280
Cadillac Total	4,238	6,838	5,470	21,844	143,080	130,314
Cimarron	124	517	183	708	11,774	6,651
Allante	124	0	132	528	0	1,528
Brougham (rwd)	980	2,174	1,139	6,372	39,383	33,896
DeVille (fwd)	2,160	3,282	2,912	9,943	72,842	70,046
Eldorado	457	435	585	2,221	10,281	7,860
Seville	413	450	522	1,960	8,630	10,334
Chevrolet Total	29,850	22,109	28,852	124,498	617,604	612,343
Chevette	0	1,611	0	0	48,740	0
Camaro	2,100	3,806	2,456	9,206	92,079	44,957
Cavalier	7,549	7,096	7,628	32,021	184,575	156,717
Celebrity	8,000	4,436	8,123	33,903	126,804	150,985
Corsica/Beretta	7750	0	6246	26,220	0	114,951
Monte Carlo	1,900	1,736	1,826	7,980	68,346	32,849
Chevrolet	1,720	2,905	1,899	12,474	101,148	90,040
Corvette	840	519	832	2,695	11,909	12,845
Oldsmobile Total	11,111	16,239	11,432	56,879	465,756	301,048
Firenza	332	412	165	582	20,871	3,903
Calais	2,928	1,616	3,518	14,427	66,412	53,309
Cutlass Ciera	2,120	3,890	2,566	14,856	117,286	76,066
Cutlass Supreme	936	1,536	1,150	6,449	74,921	30,496
88 (fwd)	3,270	6,508	2,136	12,235	147,386	85,757
88 (rwd)	360	208	369	1,858	9,731	8,111
Olds 98	732	1,467	671	3,562	51,636	32,004
Toronado	413	363	326	2,106	7,553	7,714
Pontiac Total	11,918	14,912	11,474	57,296	362,154	308,269
Acadian*	0	678	0	0	7,696	0
Fiero	0	1,185	0	2,376	33,728	18,089
1000	0	1,075	0	0	13,536	0
Firebird	1,803	2,140	1,730	6,346	40,304	34,267
2000 Sunbird	1,880	2,665	2,254	9,074	61,990	46,587
Grand Am	4,200	3,713	5,300	20,000	96,699	100,000
6000	1,738	2,851	2,160	8,602	63,245	38,081
Bonneville	2,488	0	0	9,361	0	60,351
Safari/Parisienne	0	705	0	516	33,650	4,848
HONDA	5,360	3,376	5,823	28,439	79,588	127,614
Civic	2920	0	4238	8,214	0	44,540
Accord	2,840	3,376	3,587	17,804	79,588	83,274
NISSAN	2,368	0	3,007	11,900	21,617	58,851
NUMMI	3,600	3,600	4,005	19,133	76,708	80,388
Corolla	800	0	805	3,345	0	16,441
Nova	2,800	3,600	3,200	15,788	76,708	63,947
VOLKSWAGEN	1,600	1,628	2,008	6,159	58,203	31,480
Audi	1,400	1,628	1,779	4,359	58,203	28,633
Jetta	200	0	229	799	0	2,847
Total Cars, U.S.	135,810	137,316	148,911	627,289	3,563,683	3,264,474
Total Cars, Canada	17,609	22,206	13,969	63,336	493,994	346,303
U.S. American Cars	133,410	129,302	142,860	595,548	4,057,677	3,610,772
U.S. Am. Trucks	66,884	69,716	84,312	285,294	1,942,544	1,930,706
North American Cars and Trucks	218,303	221,224	241,141	944,178	6,000,221	5,541,482

CANADIAN CAR	Week Ended May 30, 1987	Week Ended May 31, 1986	Week Ended May 23, 1987	Day	Jan. 1 to May 23, 1986	Jan. 1 to May 30, 1987
AMERICAN MOTORS	100	0	87	361	2,485	2,458
FORD MOTOR	11,100	11,467	8,964	44,918	239,042	224,706
GENERAL MOTORS	5,705	10,514	4,497	15,858	247,896	112,394
HONDA	350	0	241	1,282	0	2,149
VOLVO	225	225	180	900	4,881	4,414
Total Cars, Canada	17,609	22,206	13,969	63,336	493,994	346,303

U.S. TRUCK*	Week Ended May 30, 1987	Week Ended May 31, 1986	Week Ended May 23, 1987	Day	Jan. 1 to May 23, 1986	Jan. 1 to May 30, 1987
CHEVROLET	18,236	20,271	23,234	92,548	523,484	470,002
DODGE	6,500	2,028	6,304	26,251	17,405	108,271
FORD	27,248	28,449	32,047	128,532	681,982	640,406
GMC	8,950	5,588	7,654	33,612	155,809	169,374
ISUZU	1,184	1,319	1,483	6,268	32,328	31,696
JEEP	3,600	2,421	4,172	17,651	82,035	91,272
NISSAN	1,416	3,055	1,773	7,157	46,284	26,112
SUZUKI	468	88	490	1,990	1,072	4,207
MISCELLANEOUS*	2,530	2,000	2,388	9,669	46,000	46,000
Total Trucks, U.S.	66,884	72,000	79,207	323,074	1,541,679	1,586,337

CANADIAN TRUCK*	Week Ended May 30, 1987	Week Ended May 31, 1986	Week Ended May 23, 1987	Day	Jan. 1 to May 23, 1986	Jan. 1 to May 30, 1987
AMERICAN MOTORS	750	631	805	3,468	8,703	13,681
CHRYSLER	8,494	8,201	7,027	31,882	164,288	174,442
FORD	3,648	3,648	2,824	11,539	75,544	68,223
GENERAL MOTORS	6,665	6,677	4,370	20,382	95,911	89,000
JUNTAN	215	211	168	848	4,319	4,321
Total Trucks, Canada	19,002	18,668	14,815	68,119	400,865	344,369
U.S. Am. Trucks	66,884	69,716	84,312	285,294	1,942,544	1,930,706

Early Regals to be put in rental fleets

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

LANSING, Mich. — The first batch of all-new Buick Regals will go to dealers and daily rental companies for evaluation.

Edward H. Mertz, Buick general manager, said he hopes about 500 Regals will be available in midsummer for dealers and their preferred customers to test drive before the cars officially go on sale Oct. 1. Another 500 will then go to daily rental fleets for feedback and exposure to the public.

The approach is similar to that used by Chevrolet to introduce Corsica and Beretta. As the assembly plants slowly accelerated production, Chevrolet got the initial 10,000 to dealers — who used them as service rentals — and to daily rental companies.

The new Regal is the first of the GM10 cars, the front-wheel-drive mid-sized cars which replace the previous rear-wheel-drive Regal, Pontiac Grand Prix, Oldsmobile Cutlass Supreme and Chevrolet Monte Carlo.

The Pontiac Grand Prix and Oldsmobile Cutlass Supreme will be introduced next spring. The Chevrolet version of the GM10 debuts in 1988.

Mertz said the new Regal is expected to draw the higher demographic buyers of the previous Regal. It will be positioned in marketing and price between Century and LeSabre, Mertz said. The two-door Century has a base price of $11,003 and the two-door LeSabre has a base price of $13,616.

U.S. engines eyed by Mazda; Ford is key

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Mazda Motor Mfg. (USA) Corp. could consider U.S. production of engines for cars built its new Flat Rock, Mich., plant if Mazda were to share a common engine with Ford Motor Co.

Osamu Nobuto, president of Mazda's U.S. manufacturing arm, told the Detroit Auto Writers Group last week that a volume of 500,000 units is necessary for engine production to be cost-effective. When full production is reached at the Flat Rock plant in the fall of 1988, it will build 240,000 vehicles, half of them for Ford.

Nobuto said previously that Mazda might consider U.S. production of engines.

About 1,200 workers are now running pilot production at Flat Rock. The plant will eventually employ 3,500 workers on two shifts.

The plant will initially build the next-generation Mazda 626. Beginning next year, it will add a version that will be marketed by Ford.

Asked the status of contract negotiations with the UAW, Nobuto said that "timing has not been clearly established" for submitting the question of union representation to the workforce. He said he expects workers will be approached sometime after the start of production in September.

Nobuto said that former UAW members make up 10 percent of the plant's current workforce, selected from a pool of about 100,000 applicants.

Automotive News

June 8, 1987

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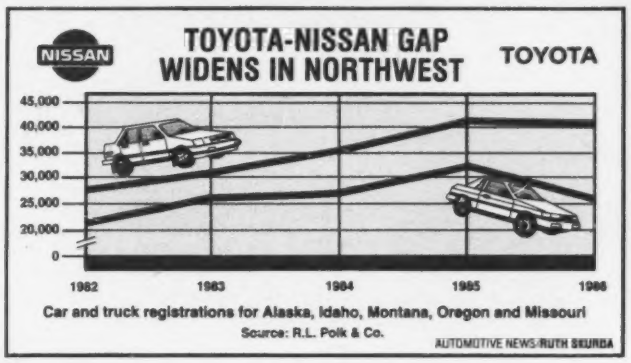
Dealers rip tactics at Nissan

Northwest retailers claim strong-arming

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER



Car and truck registrations for Alaska, Idaho, Montana, Oregon and Missouri
Source: R.L. Polk & Co.
AUTOMOTIVE NEWS/RUTH SKURDA

Nearly a dozen former Nissan dealers in the Pacific Northwest say they were forced out of business in the last three years by unfair Nissan tactics — including short inventories, pressure to relocate dealerships or build new facilities, and intimidation by manufacturer representatives.

Nissan dealers elsewhere say they, too, were pressured to relocate and replace aging facilities or lose their franchises — as Nissan sought to upgrade its dealer body in the face of growing competitive pressure from other Japanese importers. But that pressure apparently didn't compare with the tactics used in the Pacific Northwest.

"These were some of the oldest dealers in the country," recalled a former Nissan manager in the Portland region, which includes Washington, Montana, Idaho, Oregon, Alaska and part of Nevada. "Nissan was being chewed up by Subaru, Toyota and even Mazda. There wasn't a warm pulse in the Portland region. Sales had to improve."

But it was the way Nissan chose to boost its sales that came to light last month when one Portland region dealer, whose franchise was terminated by Nissan in March, filed suit in federal court and wrote to his 1,100 fellow Nissan dealers inquiring about how Nissan might have pressured them. As for the Portland region, dealers interviewed by Automotive News — dealers not involved in litigation — tell tales of woe and heavy-handedness on the part of Nissan.

By most accounts, the Portland region situation has improved since personnel changes in the last nine months, but the case of what transpired there between the spring of 1984 and the end of 1986 provides a rare glimpse into what can happen when a manufacturer pushes hard — maybe too hard — to upgrade its retail outlets in the face of heavy competition and the fallout on individual dealers.

To piece together the story, Automotive News interviewed more than 25 people, including dealers in Washington, Oregon, California, Montana, Idaho and the District of Columbia, and several past and present Nissan officials. But current Nissan executives declined to respond specifically to charges by the Portland region dealers because of the pending lawsuit.

The irony in the case is that Portland appeared to be one of Nissan's U.S. success stories. A decade ago Nissan even outsold Toyota in the region — something it couldn't do nationally. But that trend began to erode as Toyota and other Japanese importers opened new dealerships in prime locations in the re-

see NISSAN, page 64

Sales decline 18%; imports, domestics share steep fall

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DOMESTIC CAR SALES FALTER IN 1987

	1987	1986	% Change
Jan.	427,678	535,904	−32.74
Feb.	556,953	612,632	− 9.09
Mar.	682,117	649,351	+ 5.05
Apr.	691,803	719,563	− 3.86
May	622,303	786,268	−20.85

New-car sales continued to slump in May. Retail deliveries were off almost 18 percent from last year and were the poorest for any May since 1982.

The falloff left few makers or market segments unscathed, and it came in a prolonged period of frenetic marketing effort that includes reduced finance rates and cash-back offers.

May sales of domestic and imported cars totaled 882,817 units, down 17.69 percent from 1,072,537 in May 1986.

In May 1982, industry sales totalled 773,864 cars.

Domestic sales in May this year were 622,303 units, off 20.85 percent from 786,268 sold a year ago.

There were 260,514 imported cars sold in May this year compared with 286,269 last year, a dip of 9.0 percent.

The selling rate in May this year averaged 24,892 units per day compared with 30,241 a day a year earlier.

On an annualized basis, a Ford researcher said, the sales rate for cars in May was 9.8 million units — 6.8 million domestics and 3.0 million imports. In May 1986, the seasonally adjusted annualized sales rate for the industry was 11.5 million units — 8.4 million domestics and 3.1 million imports.

American Motors had a sales decline of 43.65 percent in May; General Motors was down 33.94 percent; and Chrysler Motors was off 24.94 percent. Ford Motor Co., which has enjoyed a long string of gains, said May sales were off 3.63 percent.

Nissan sales rose to 14,923 units from 943 a year earlier when its U.S. car plant was down for model changeover.

Honda had a gain of 61.20 per-

see SALES, page 67

BMW to limit growth in U.S. after long rise

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

MUNICH, West Germany — BMW has decided to limit growth in its single most important export market — the United States — despite the recent addition of badly needed production capacity.

The new strategy is being invoked after a dozen-year span in which BMW sales have increased some 500 percent in the United States.

Gunter Kramer, BMW sales and marketing chief, also predicted a flat year or a slight downturn in the U.S. luxury/performance market in 1987, but he said the segment will expand 25 percent by 1993.

Though a new plant in the Bavarian city of Regensberg was brought on line last fall, Kramer expects BMW production to increase by an average of less than 5 percent annually during the next six years.

He outlined a sales growth pattern that would bring BMW output in 1993 to about 550,000 units, which is lower than the current level for arch-rival Daimler-Benz.

"We certainly will not have a

see BMW, page 66

KNUT MOBERG

U.S. automakers are pushing to sell their North American-built products overseas. Chrysler LeBaron, Buick LeSabre and Ford Taurus are shown at the Holmenkollen ski jump in Oslo, Norway

EXPORTS: *U.S. makers embrace a neglected field: Selling their cars in overseas markets*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers, who over the years have shown little lasting spirit for the export side of the business, are once again making a push to sell their North American-built products overseas.

The effort itself is nothing new. U.S. car companies have traditionally driven into international markets on the back of a weak dollar and withdrawn whenever a strong U.S. currency makes their products too expensive. But this time, company and industry observers say, the Big Three appear poised to make a longer commitment to exporting.

The center for their combined activities is Europe. General Motors, while hoping to revive its export sales there, is taking steps to eliminate the peaks and valleys that have marked its record in the past. Ford Motor Co. will begin rebuilding its network by appointing distributors in six European countries. And

see EXPORTS, page 63

Incentive maze a big puzzle for dealers, buyers

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

In their effort to boost sales, domestic automakers have managed to confuse customers and dealers by constantly extending, sweetening and shuffling incentives.

"It's just as confusing to the office as it is to the sales personnel, and if the girl in the office forgets that the incentive has been changed, you might lose hundreds of dollars," said Martin Sullivan, president of M.J. Sullivan Chevrolet, New London, Conn.

Dealers contacted by Automotive News said the proliferation of incentives during the last four months has made buyers disinterested in and confused about the sales gimmicks. But some dealers said that sales may slide if incenitives are eliminated.

"I try to challenge the customers by saying 'This incentive ends tommorow,'" said Gene McHarris, a salesman at Avis Ford, Southfield, Mich. "But they say: 'You'll have an incentive when I'm ready to buy.' There's no great need to buy right now."

Sales numbers reflect that wait-and-see attitude. Domestic new-

see INCENTIVES, page 67

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Chrysler to invest $200 million in Kenosha Page 3
Group asks recall of 50,000 school buses Page 4

Kenosha getting $200 million for Omni/Horizon

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors announced it plans to invest $200 million in American Motors' plant in Kenosha, Wis., to prepare for expected production of Omni/Horizon models this fall.

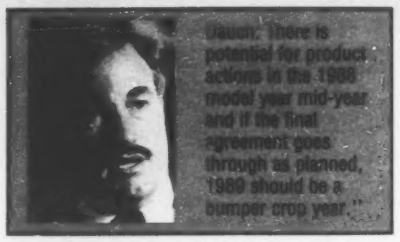
Meanwhile, Chrysler Motors will complete its review of AMC's car and truck lines and powertrains within six months, but expects to make no product changes at the start of the 1988 model year.

Richard E. Dauch, Chrysler Motors executive vice president — manufacturing, said, however, that "product actions" could occur midway in the 1988 model year as a result of the proposed acquisition. He declined to specify. Chrysler expects to complete its takeover of AMC by Aug. 15.

Dauch, in an interview, said Chrysler's product programs have not been placed on hold as a result of the pending acquisition.

"Chrysler Motors' product programs are on full green-light go," Dauch said. "What has to be done is a rationalization review of trucks, cars and powertrains. They have four-cylinder engines. They have six-cylinder engines. Why would we duplicate all those things? There has to be some rationalization.

"Certainly there is nothing we can do as it relates to the 1988 start of production," Dauch said. "Obviously, the big thrust would be in 1989. That does not preclude something in the midyear. There is potential for product actions midway in the 1988 model year, and if the final agreement goes through as planned, 1989 should be a bumper crop year."


Dauch: There is potential for product actions in the 1988 model year mid-year and if the final agreement goes through as planned, 1989 should be a bumper crop year."

Dauch said that the Omni/Horizon America subcompacts will go back into production in September at the AMC Kenosha, Wis., assembly plant if remaining "loose items" are finalized within 20-30 days.

Dauch said 120,000 to 130,000 L-body subcompacts will be produced annually if plans to use the Kenosha plant are finalized. Chrysler sold 208,726 Omni and Horizon units in 1986. The cars were taken out of production at the Belvidere, Ill., assembly plant in March to make way for Dodge Dynasty and Chrysler New Yorker Brougham.

"We will be short for the market needs," Dauch said of the subcompacts. "We know we can sell more than that. But we also know the consumer wants the M-body."

Chrysler is building the M-body Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury under contract at the Kenosha assembly plant, which has an annual capacity of about 235,000. A second M-body shift will be launched at the end of the month, boosting production from 366 units daily to nearly 600. If the L-body is added, daily production is expected to be 950 cars.

The subcompact Renault Alliance is built in Kenosha. The Alliance has been considered vulnerable because of the success of the America subcompacts.

JIM KENZIE PHOTOS

In six days, Milton Honda attracted 10,000 people and called it . . .

Honda deal offers real incentive: A lion tamer complete with lion

By Jim Kenzie
STAFF CORRESPONDENT

MILTON Ontario — This small town west of Toronto recently witnessed an unusual car dealership promotion: Baron Julius von Uhl presented his lion-taming act in the parking lot of Milton Honda.

The Florida-based baron — "If I'd made up the name, I would have made myself at least a count!" — had been stranded in Canada after a deal with a circus fell through.

Stuck at a truck stop with neither gas for his truck nor funds to buy any, the baron was directed to Milton Honda's Peter Duffus, who in his 10 months in business has developed a reputation for crazy promotions.

An agreement was reached over lunch, and the baron conducted three shows daily for six days.

. . . a roaring success

Popcorn and balloons for the kiddies were added attractions.

"It drew over 10,000 people through the store," said Duffus. "I have put the baron in touch with other Honda dealers in southern Ontario, and he is also appearing at shopping malls in the area before heading to Quebec for his regular summer tour."

AMC discloses separation pay

By Laura Clark and Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTERS

American Motors officials expect the company to report a full year of profits and a "blockbuster fourth quarter" just as it is being integrated into Chrysler Corp.

Top AMC executives told bonus-roll employees that second quarter profits will nearly equal the $23 million AMC earned in the first quarter. They said AMC will be in the black for the third quarter and will have a strong fourth quarter when its 1988 intermediate Renault Premier debuts.

AMC has not shown a full-year profit since 1984 when its 12-month net income was $15.5 million.

AMC said last week that it will provide separation benefits to its employees who are hired by Chrysler but later lose their jobs because of the merger.

AMC employees who are hired by Chrysler but lose their jobs before Jan. 1, 1989 — other than for cause — will be entitled to the same separation benefits as those employees not hired by Chrysler.

Options for the AMC salaried employees were detailed in a six-page Salaried Employee Retention Program bulletin distributed to all eligible employees last week. The employee plan, along with Chrysler's $4.50-per-share bid for the automaker, was approved by AMC's board of directors on May 20.

Under the plan, AMC salaried employees not retained by Chrysler will receive two weeks' to one year's salary.

Employees could lose all separation benefits if they reject a "comparable" job at Chrysler or if they are retained and leave the company voluntarily before Jan. 1, 1989.

All AMC salaried employees are eligible for the program except those covered by union contracts plans and those working for AMC subsidiary companies with independent benefit packages. An AMC spokesman said separation packages for the company's officers — including AMC President Joseph Cappy — will be detailed in the AMC proxy statement that is due to be issued in 35 to 45 days.

Under the plan, management employees with 10 years of service will receive four months' salary for a year of service or less, five months' salary for two years and six months' salary for three to 10 years. For 11 to 20 years' service, they receive 60 percent of a month's salary per year of service for a maximum of one year's salary for 20 years' service.

Administrative employees receive 60 percent of a month's salary per year of service up to a maximum of one year's salary for 20 years' service.

Richard Calmes, AMC vice president of personnel and industrial relations, said the sliding scale favored less-senior management over administrative employees because of the low availability of those kinds of positions in other companies and the longer job search that may be required.

Bonus-roll employees will be guaranteed one year's salary regardless of service history.

An early-retirement option will be available to employees who are at least 55 years of age and have 10 years of service, or employees of any age with 30 or more years of service.

Group health insurance benefits will continue up to 24 months for terminated employees with 10 or more years of service, up to 12 months for those with one to nine years of service and up to two months for those with six months to one year of service.

Although several AMC executives interviewed by Automotive News last week said they considered the plan generous, there was some concern about the types of jobs AMC employees would be offered by Chrysler.

"A lot of people are worried that they'll be offered jobs that they don't find interesting," one bonus-roll employee said, because Chrysler has more specialized employees who do not have the wide-ranging responsibilities of persons in the leaner AMC organization.

"I figure our sphere of responsibility is 50 percent more than what you'd find in comparable positions at Chrysler," another executive said.

The letter did not specify how many employees Chrysler will retain or which AMC departments will suffer the heaviest cuts. However, AMC President Joseph Cappy told employees in the letter that some of AMC's operations will be relocated or terminated under the merger, while others will be unaffected.

In other news, four AMC shareholders have filed three class-action lawsuits demanding that a U.S. District Court review the sale price of AMC. The suits were filed in the U.S. District Court, Southern District of New York.

An AMC spokesman said that shareholder lawsuits are common in corporate acquisitions and that AMC does not expect the lawsuits to delay the acquisition of the company by Chrysler.

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61st year—No. 5184

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Truck executives to address World Congress

Ford Motor Co. and Navistar International Transportation Corp. accounted for 29.8 percent of new-truck sales in the United States in 1986.

In piling up 1,381,438 sales, Ford led all manufacturers in light trucks (Classes 1-3) and nosed out Navistar in Class 7.

Navistar, whose sales totaled 71,022 units last year, was No. 1 in the Class 8 heavy segment.

The top executives of those heavy-hitting truck operations will speak at the 12th Annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

This year's Congress theme is "Facing Up to Competitive Times."

Edward E. Hagenlocker, vice president of Ford Motor Co. and general manager of Ford Truck Operations, will speak in a general session at 10:30 a.m. Monday, July 27. That day's Congress theme will be "Recoveries and Strategies for the Domestic Industry."

Neil A. Springer, chairman, president and chief executive officer of Navistar International Transportation Corp., will address a general session at 10:30 a.m. Wednesday, July 29, when the daily theme will be "Coping With Change." His topic will be "The Future of the Heavy Truck Industry and the Reshaping of Navistar."

Prior to being named head of Ford Truck Operations in June 1986, Hagenlocker was director-president of Ford of Brazil.

He joined Ford as a research scientist in 1964 and has held engineering management positions with the Product Development Group, Chassis Division, Body and Electrical Product Engineering, Climate Control Division and Truck Operations.

Springer was elected to his present position on April 1, 1987.

Navistar is the North American market-share leader in combined medium and heavy-duty truck sales and is a producer of diesel engines.

Springer started his career in 1960 with International Harvester Co., Navistar's predecessor, at a truck assembly plant in Fort Wayne. He became vice president-general manager of heavy-duty trucks in December 1979, holding that position until July 1981 when he assumed responsibility for all North American truck operations. He became president of the Truck Group in August 1982.

This year's World Congress will have more than 30 speakers, sharing their knowledge and viewpoints on where the car and truck industry stands today and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, Mich. 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

Pininfarina: sole production-Ferrari stylist?

By Richard Johnson

TURIN, Italy — An apparent threat to Industrie Pininfarina S.p.A.'s long-time role as exclusive stylist of Ferrari cars is sending tremors through this city's closely knit automotive design community.

Shock waves were touched off by a March 30 report in *Automotive News*, which noted that I.D.E.A. (Institute for Development in Automotive Engineering), a little-known but fast-growing design and engineering firm headquartered here, had styled a four-wheel-drive Ferrari prototype.

Ferrari S.p.A. general manager Giovanni Razelli told *Automotive News* in March that I.D.E.A. was involved in styling a two-seat, mid-engine, four-wheel-drive prototype that was unlikely to go into production.

Following that, an apparently strong reaction from Pininfarina, which has designed every Ferrari production car except one, prompted Ferrari officials to reassert that Pininfarina would continue as the company's sole production-car stylist.

Razelli recently told a select gathering of the American press in Maranello that "no market analyst would suggest that we dissolve our marriage with Pininfarina, which has given such great satisfaction to both sides...and neither would that analyst believe certain items of news that have appeared in some newspapers."

A Testarossa designed by anyone but Pininfarina? No way, says Ferrari.

Razelli said Ferrari is conducting research on 4wd, four-wheel steering and active suspension in an experimental car he referred to as the 408 4wd.

He also revealed that Ferrari has two additional "laboratories on wheels."

One is the Scaglietti Spyder, a cabriolet prepared by designer Sergio Scaglietti, that is now undergoing fatigue tests with particular focus on the use of composite materials for a large part of the basic structure.

The other is the GTO Evoluzione, a study of engines and components for racing applications.

Razelli's latest account does not differ from that reported earlier. But long-time industry observers in Turin say the turmoil resulted from the underlying suggestion of a crack in Pininfarina's legendary Ferrari armor.

The Ferrari work is a jealously guarded foundation of Pininfarina's worldwide prestige as a coachbuilder and stylist. Indeed, a report a few years ago that Ital-Design Sirp S.p.A.'s Giorgio Giugiaro had authored a new Ferrari met a similar reaction.

In a mid-May interview, the head of Pininfarina himself, Sergio Pininfarina, stated: "Mr. Razelli said the new cars are laboratories on wheels and that the (production) styling will always be developed by Pininfarina. We have been very successful with Ferrari in the last four or five models.

"The only project which was designed and not produced was the Pinin, the four-door car. But Ferrari announced (in 1985) it was their intention not to make a four-door — not that it would make a four-door with another man."

I.D.E.A. president Franco Mantegazza acknowledged in an interview that his company has been involved in Ferrari's 4wd project. He declined to comment further on Ferrari, but Turin sources close to the Ferrari-I.D.E.A. dealings say the 408 4wd, which is about to begin road-testing, is more than a concept car. They say it is a model intended for production, with the American market targeted in particular.

"It's not just a prototype," said an insider. "They would be spending their money in a very bad way if it was not put into production."

Sources further said that the order for the design work came directly from Ferrari, and not from its 50 percent partner, Fiat Auto S.p.A., which has been I.D.E.A.'s biggest customer.

Although no car designed by the nine-year-old company has ever reached production, that will change soon. I.D.E.A. has been heavily involved in styling Fiat's upcoming Type 2 and Type 3 replacements.

By 1990, I.D.E.A. is scheduled to have nine of its designs in production, including six Fiats and three Alfa Romeos.

Meantime, Pininfarina is expected to lose at least one aspect of its Ferrari business by the end of the decade. Ferrari's Maranello facility will take over production of bodies for the successor to the current top-line Testarossa when the new car appears in three years.

Pininfarina currently builds bodies for both the Testarossa and 412 sedan at its Grugliasco plant, and trucks them to Maranello for final assembly. Ferrari's Scaglietti plant in nearby Modena supplies bodies for the Ferrari 328 and Mondial lines.

Although Pininfarina will continue to build bodies for the sedan replacement, Razelli declared in March: "In the future, the (new) Testarossa will be built by Ferrari." ■

WORLD NEWS BRIEFS

Taylor exits Austin Rover

Trevor Taylor resigns as director of international operations for Britain's Austin Rover Group Ltd. He had been sales and marketing chief at the government-owned company until his reassignment in the wake of a major shakeup last fall that included the dismissal of chairman Harold Musgrove. Taylor, with the company 17 years in various sales and marketing positions, was instrumental in launching the Rover Sterling in North America this year. He is succeeded by Brian Fuller, 41, who had been managing director of Leyland South Africa since June 1986.

New plant for new engine

A British subsidiary of Litton Industries is awarded a $60-million contract to supply a new machining plant for Austin Rover's forthcoming K-series engine. Lam-Technicon will build the facility at the automaker's engine complex in Longbridge, England. Construction begins immediately, with completion expected in 1989. The K-series engine will go into Austin Rover's subcompact Metro replacement, scheduled to appear about 1990, and possibly some versions of larger models.

Fiat studies China

Fiat Auto S.p.A. is considering a joint automaking venture in the People's Republic of China. The Italian company is preparing what it calls a "pre-feasibility" study for potential Chinese partners. Fiat has not disclosed details of the agreement under study, but reports several cars have been tested. Currently, American Motors (U.S.), Peugeot S.A. (France) and Volkswagen AG (West Germany) are involved in carmaking ventures in China.

FIRE is ignited

Fiat will expand its state-of-the-art FIRE (fully integrated robotized engine) small-car engine plant in Termoli, Italy. The company will spend the equivalent of $39 million to increase capacity at the highly automated plant, which began operations in late 1984. Output will climb from about 2,400 units daily to 2,800, or about 500,000 engines annually, for use in some Fiat Panda and Uno models and the Lancia Y10.

Agnelli story in the works

Fiat chairman Giovanni Agnelli signs a contract with Random House Inc. to publish his memoirs. Agnelli, grandson and namesake of Fiat's founder, has served as chairman of the Italian industrial giant for more than 20 years. Royalties from the book will be donated to the Metropolitan Museum of Art in New York for restoration and display of Italian frescoes of the Pompeii period. The co-author will be *Wall Street Journal* reporter Roger Cohen.

Navistar drops Daf

Navistar International Corp., which as International Harvester Co. once sought to forge a broad partnership with Daf Trucks of the Netherlands, sells its remaining 14 percent interest in the Dutch company. International bought into the company in 1975, but disposed of most of its stake in the midst of its own severe financial troubles in 1983. At that time the American company also sold its interests in two other European truckmakers — Spain's Enasa S.A. and Britain's Seddon Atkinson Vehicles Ltd. Earlier this year, Daf took controlling interest in Leyland Trucks (now Leyland-Daf Ltd.) and Freight Rover Ltd. from Britain's state-owned Rover Group P.L.C.

Reliant cuts losses

Reliant Motor P.L.C., England, producer of the Scimitar two-seat sports car and Rialto three-wheeler, continues its comeback during the first six months of its 1987 fiscal year. Its pre-tax loss for the six-month period beginning Oct. 1, 1986 is reduced from $327,600 (195,000 pounds sterling) to $48,720 (29,000 pounds). Reliant reported a net loss of $278,400 in the fiscal year ending Sept. 30 1986, compared with a loss of $1.03 million after taxes in 1985. Company officials are weighing possible entry into the U.S. market with Scimitar, but say they won't come to America without first lining up a partner.

Opel still spending

Adam Opel AG, Russelsheim, West Germany, will spend 50 million deutschmarks ($28 million) to upgrade production facilities at its main plant in Russelsheim, West Germany. A major part of the General Motors company's investment will be used to expand its K130 body plant, as well as door and cockpit-module assembly areas. The expenditure, part of an overall 7-billion mark investment program at Russelsheim from 1984 through 1987, is not expected to have a direct effect on production capacity at the plant, which is currently turning out about 1,000 Omegas and 100 Asconas daily.

Scotland hosts IISRP

A new thermoplastic elastomer and new butadiene-based rubber will be revealed at the 28th annual general meeting of the International Institute of Synthetic Rubber Products Inc., held in Edinburgh, Scotland, June 8-12. According to sources at Japan's Asahi Chemical Industry Co. Ltd., the company used "original and unique technology" to develop a new high-performance thermoplastic elastomer "with excellent weatherability and heat resistance." West Germany's Dr. Karl-Dieter Hesse, head of Huels AG's product development and technical service department, says his company has developed a new rubber that shows it is an "excellent" component for blends. Huels is building a pilot plant to develop the process for commercial production, and will market the material under the name Vestenamer.

Bridgestone keeps rolling

Bridgestone Corp., Tokyo, and West German automaker Porsche AG continue to strengthen their bonds as the Japanese tire producer reports its 16-inch RE71 is selected as the on-line original-equipment tire for a 1987 production Porsche model, starting last month. It marks the first time Bridgestone is selected as an on-line tire for a high-volume Porsche model. About 160 tires will be delivered monthly to Porsche for OE on-line application.

New coat: Shape no object

Mitsubishi Metal Corp., Tokyo, develops a technique that makes it possible to form a uniform coat, even on round objects or objects with more complicated shapes. The part to be treated is coated with a special resin by a process similar to electroplating, and the resin is then hardened by heating. The coat, said to be highly resistant to corrosion, can be applied to iron, steel, stainless steel and copper alloy.

Toyota sells Simoniz

Toyota Motor Corp., Toyota City, Japan, will sell seven car-care products, including wax and cleaners, made by U.S. Simoniz International. They will be sold through Toyota dealers and parts distributors throughout Japan. It marks the first availability of Simoniz products in the country. The items include four kinds of wax (soft paste, liquid, spray and pad) and three kinds of cleaners (wheel, seat and glass).

Sales in Brazil

BRAZIL
Cars, light commercial vehicles

	3 mos., 1987	3 mos., 1986
Agrale	378	323
Engesa	113	77
Fiat	18,405	22,294
Ford	29,036	48,993
General Motors	32,764	55,140
Gurgel	406	380
Mercedes-Benz	7,503	8,475
Saab	689	1,143
Santa Matilde	12	34
Toyota	715	789
Volkswagen	41,264	76,089
Volvo	358	519
Total	131,641	214,256

Japanese gain in Europe

By Richard Johnson

After a sharp drop in 1987 first-quarter sales, Japanese makes have begun to regain lost market share in Western Europe.

Industry new-car sales estimates also show Renault and Peugeot, helped by a buoyant French market, made the biggest gains among Europe's volume automakers through the first four months of 1987.

Sales in Spain, the fastest-growing national market, should top 900,000 in 1987, 12 percent higher than previously forecast.

Overall, European industry sales of 4,2866,700 this January-April were 4.6 percent above a year earlier, despite forecasts of a slight downturn this year. Western Europe set an all-time record in 1986 with 11.7 million new-car sales. At the current pace, 1987 sales will top 12.8 million.

Fiat Group held first place in January-April, although Volkswagen Group, the 1986 leader, was No. 1 when Alfa Romeo sales are deducted from Fiat's total.

Sales of Japanese makes were 3.6 percent below their record 1986 pace, but are coming back. The combined Japanese share was 10.3 percent for the first quarter, but the Japanese snapped up 11.8 percent in April, pushing their year-to-date penetration to 10.7 percent. ■

EUROPEAN SALES, BY MANUFACTURER

Manufacturer	4 months 1987	1987 share*	4 months 1986	Change '87 vs '86
Fiat Group**	647,900	15.1	604,200	+ 7.2
VW-Audi-Seat	627,400	14.6	588,900	+ 6.5
Peugeot SA***	511,000	11.9	459,900	+11.1
Ford	497,200	11.6	473,100	+ 5.1
General Motors****	475,200	11.1	474,300	+ 0.2
Renault	451,100	10.5	397,500	+15.1
Japanese (all)	460,200	10.7	477,300	- 3.6
Toyota	114,100	2.7	119,500	- 4.5
Nissan	111,500	2.6	117,200	- 4.9
Mazda	79,000	1.8	89,900	-12.1
Mitsubishi	55,600	1.3	51,100	+ 8.8
Honda	43,900	1.0	46,100	- 4.7
Mercedes-Benz	150,200	3.5	172,700	- 1.7
Austin Rover	149,500	3.5	152,500	- 1.9
BMW	102,000	2.4	109,400	- 6.7
Volvo	97,100	2.3	97,200	- 0.1
Others	117,900	2.7	90,500	+30.2
Total	4,286,700	100.0	4,097,500	+ 4.6

*Total does not add to 100 percent because of rounding
**Includes Alfa Romeo
***Peugeot, Citroen, Talbot
****Opel, Vauxhall, Isuzu, GM-U.S./Canada

NEW CAR SALES BY COUNTRY IN EUROPE

Country	4 mos., 1987	Pct. gain /Loss
West Germany	938,000	- 4.3
Italy	738,400	+ 7.4
France	683,400	+10.3
United Kingdom	680,900	+ 1.8
Spain	303,100	+69.7
Netherlands	251,000	+ 5.9
Belgium/ Luxembourg	170,300	- 4.5
Switzerland	107,400	+ 0.6
Sweden	98,800	+14.1
Austria	90,500	+ 2.4
Finland	56,900	+ 3.5
Denmark	45,200	-34.7
Norway	40,400	-36.8
Portugal	39,400	+23.1
Ireland	27,000	+ 9.9
Greece	16,000	-23.2
TOTAL	4,286,700	+ 4.6

OVERSEAS REGISTRATIONS

SWITZERLAND
Cars

	3 mos., 1987	3 mos., 1986
BMW	3,193	2,474
Daihatsu	279	293
Fiat Auto	7,331	7,611
Fiat	4,946	4,957
Lancia	1,255	1,175
Alfa Romeo	1,130	1,479
Ford	5,128	5,769
GM-Opel	9,529	9,593
Honda	1,930	1,920
Isuzu	157	229
Jaguar	129	120
Mazda	2,018	2,431
Mercedes-Benz	1,794	1,889
Mitsubishi	3,026	2,233
Nissan	3,294	2,419
Peugeot SA	6,237	6,011
Citroen	2,600	2,530
Peugeot/Talbot	3,637	3,481
Porsche	241	339
Renault	4,220	4,038
Rover Group	464	575
Saab	464	427
Subaru	3,606	3,144
Suzuki	950	906
Toyota	5,713	4,978
VW Group	10,739	10,509
Volkswagen	7,317	6,779
Audi	2,761	3,071
Seat	661	659
Volvo	1,514	1,366
Others	69	57
Total	72,025	69,331

DENMARK
Cars

	3 mos., 1987	3 mos., 1986
BMW	512	1,018
Dacia	21	124
Daihatsu	397	1,217
Fiat Auto	2,032	2,458
Fiat	1,904	2,280
Lancia	26	0
Alfa Romeo	102	178
Ford	3,653	6,548
FSO	153	403
GM-Opel	5,362	9,734
Honda	560	968
Jaguar	11	6
Lada	929	0
Mazda	2,926	5,516
Mercedes-Benz	376	325
Mitsubishi	605	147
Nissan	1,394	2,678
Peugeot SA	2,813	3,437
Citroen	1,525	2,645
Peugeot/Talbot	1,288	792
Renault	96	310
Rover Group	59	126
Land Rover	3	0
MG	39	126
Austin	17	0
Saab	382	549
Skoda	714	948
Subaru	74	169
Suzuki	23	87
Toyota	3,524	6,652
VW Group	2,721	4,322
Volkswagen	2,080	3,706
Audi	420	319
Seat	221	297
Volvo	1,264	1,909
Wartburg	207	210
Zastava	250	498
Total	31,090	53,128

SOUTH AFRICA
Cars

	3 mos., 1987	3 mos., 1986
BMW	3,793	3,266
GM-Opel	3,909	2,688
Honda	2,460	1,945
Jaguar	0	7
Lancia	29	6
Mercedes-Benz	2,077	2,257
Nissan	3,382	3,492
Renault	0	1,691
Rover Group	0	5
Samcor	9,889	8,302
Ford	5,656	3,712
Mazda	4,233	3,511
Mitsubishi	0	742
Peugeot	0	337
Toyota	11,439	11,147
VW-Audi	9,122	6,981
Others	0	2
Total	46,100	41,789

AUSTRIA
Cars

	3 mos., 1987	3 mos., 1986
BMW	1,634	1,762
Daihatsu	322	265
Fiat Auto	3,951	4,513
Fiat/Lancia	3,333	4,035
Alfa Romeo	618	478
Ford	6,161	4,926
GM-Opel	6,170	7,408
Honda	1,191	1,257
Jaguar	30	28
Lada	308	319
Mazda	4,711	4,777
Mercedes-Benz	2,083	2,128
Mitsubishi	1,552	1,129
Nissan	3,009	2,608
Peugeot SA	3,765	3,513
Citroen	1,742	1,502
Peugoet/Talbot	2,023	2,011
Porsche	96	117
Renault	2,836	2,511
Rover Group	51	47
Saab	66	82
Skoda	168	190
Subaru	991	990
Suzuki	455	359
Toyota	3,603	3,708
VW Group	12,426	11,393
Volkswagen	10,077	9,137
Audi	2,055	1,959
Seat	294	297
Volvo	681	828
Others	20	10
Total	56,280	54,868

JAPAN
Cars

	2 mos., 1987	2 mos., 1986
Daihatsu	11,033	13,503
Fuji	8,585	9,920
Honda	42,187	39,779
Isuzu	6,899	8,127
Mazda	27,709	27,152
Mitsubishi	19,249	17,748
Nissan	99,955	100,388
Suzuki	7,533	8,305
Toyota	180,639	177,605
Imports (all)	10,060	7,215
Total	413,849	409,742

Vans, trucks, buses

Daihatsu	57,044	50,751
Fuji	31,929	30,717
Hino	5,715	5,261
Honda	28,155	30,351
Isuzu	15,675	16,207
Mazda	21,101	23,924
Mitsubishi	50,405	47,839
Nissan	35,534	36,160
Nissan Diesel	3,039	2,819
Suzuki	57,541	58,249
Toyota	52,762	51,329
Imports (all)	24	28
Total	358,926	353,160
Total Vehicles	772,775	762,902

NETHERLANDS
Cars

	2 mos., 1987	2 mos., 1986
BMW	3,093	3,420
Dacia	19	25
Daihatsu	964	1,246
FSO	26	70
Fiat Auto	8,200	10,120
Fiat	6,910	8,715
Lancia	266	501
Alfa Romeo	1,024	904
Ford	14,069	14,084
GM-Opel	24,231	21,803
Honda	2,073	2,205
Hyundai	551	209
Isuzu	10	29
Jaguar	94	113
Lada	1,907	2,147
Mazda	4,892	4,922
Mercedes-Benz	2,887	3,177
Mitsubishi	3,335	3,270
Nissan	6,743	4,644
Peugeot SA	14,677	12,655
Citroen	6,313	6,013
Peugeot/Talbot	8,364	6,642
Porsche	64	69
Renault	5,024	6,623
Rover Group	1,153	959
Saab	671	684
Skoda	957	853
Subaru	1,096	879
Suzuki	3,336	2,733
Toyota	5,544	5,361
VW Group	15,610	13,240
VW/Audi	14,263	12,142
Seat	1,347	1,098
Volvo	6,562	6,320
Zastava	35	168
Others	38	8
Total	127,881	122,036

SWEDEN
Cars

	4 mos., 1987	4 mos., 1986
BMW	1,701	1,566
Bertone	0	9
Daihatsu	311	540
Fiat Auto	2,599	2,497
Fiat	1,649	1,280
Lancia	516	898
Alfa Romeo	434	319
Ford	10,836	9,406
GM-Opel	10,231	8,101
Honda	1,070	1,419
Isuzu	38	0
Lada	601	503
Mazda	4,235	4,030
Mercedes-Benz	2,330	2,687
Mitsubishi	855	718
Nissan	4,317	4,674
Peugeot SA	3,230	2,090
Citroen	1,167	865
Peugeot/Talbot	2,063	1,225
Porsche	150	162
Renault	1,230	1,100
Rolls-Royce	4	2
Saab	9,627	9,593
Skoda	23	48
Subaru	585	476
Suzuki	428	272
Toyota	6,823	4,318
VW Group	12,533	7,104
Volkswagen	7,915	7,104
Audi	4,618	3,850
Volvo	25,015	21,428
Others	71	22
Total	98,843	86,615

WEST GERMANY
Cars

	4 mos., 1987	4 mos., 1986
Alpina	88	63
AMC	288	115
BMW	49,819	52,367
Bertone	81	132
Daihatsu	3,068	4,124
Fiat Auto	49,702	50,125
Fiat/Lancia/ Ferrari	47,353	47,555
Alfa Romeo	2,349	2,570
Ford	91,617	106,902
GM-Opel	148,757	149,736
Honda	14,404	14,837
Isuzu	1,687	1,924
Jaguar	773	655
Lada	3,923	3,491
Mazda	28,353	28,846
Mercedes-Benz	101,706	106,306
Mitsubishi	23,851	20,568
Nissan	25,257	27,020
Peugeot SA	41,222	46,632
Citroen	14,284	17,089
Peugeot	26,938	29,543
Porsche	3,174	4,583
Renault	31,949	33,754
Rover Group	3,224	4,073
Austin Rover	2,780	3,626
Land Rover	444	447
Saab	1,833	1,634
Skoda	783	1,087
Subaru	5,188	5,637
Suzuki	8,295	7,448
Toyota	28,367	31,178
VW Group	272,372	269,587
Volkswagen	200,548	216,650
Audi	68,871	51,359
Seat	2,953	1,578
Volvo	6,094	5,976
Others	447	454
Total	947,402	980,279

OVERSEAS PRODUCTION

JAPAN
Cars

	2 mos., 1987	2 mos., 1986
Daihatsu	25,933	23,997
Fuji	49,036	50,403
Honda	163,362	167,679
Isuzu	32,978	33,415
Mazda	130,851	127,392
Mitsubishi	85,019	100,390
Nissan	303,956	284,094
Suzuki	45,494	44,203
Toyota	407,865	434,446
Total	1,244,494	1,266,019

Vans, trucks, buses

Daihatsu	70,136	69,067
Fuji	58,572	54,594
Hino	9,099	11,663
Honda	35,890	34,269
Isuzu	50,042	56,720
Mazda	61,910	68,967
Mitsubishi	109,482	95,942
Nissan	79,770	88,393
Nissan Diesel	5,112	5,496
Suzuki	83,965	88,722
Toyota	159,757	164,583
Others	63	118
Total	723,804	738,529
Total Vehicles	1,968,298	2,004,548

FRANCE
Cars

	3 mos., 1987	3 mos., 1986
Peugeot SA	426,785	380,473
Citroen	171,465	142,116
Peugeot/Talbot	255,320	238,357
Renault	373,681	304,045
Total	800,466	684,518

Vans, trucks, buses

CBM	0	12
Heuliez	55	0
Iveco-Unic	13	26
Peugeot SA	42,072	42,932
Citroen	16,656	20,288
Peugeot/Talbot	25,416	22,644
Renault/RVI	73,485	75,452
Sovam	26	20
Total	115,651	118,442
Total Vehicles	916,117	802,960

AUCTION DATES

American Motors

June 9 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

June 10 — Columbus Fair Auto Auction, Obetz, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

June 11 — Todd Auto Auction, Telford, Pa., and Evansville Auto Auction, Evansville, Ind.

June 16 — D-A Auto Auction, New Stanton, Pa.

June 17 — Minneapolis Auto Auction, Plymouth, Minn.

June 18 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

June 19 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

June 9 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

June 10 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

June 11 — Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Northway Exchange, Clifton Park, N.Y.

Ford Motor Co.

June 9 — Harrisonburg Auto Auction, Harrisonburg, Va.

June 10 — Atlanta Auto Auction, Red Oak, Ga., and Concord Auto Auction, Acton, Mass.

June 11 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Bay Cities Auto Auction, Hayward, Calif.

June 17 — Lakeland Auto Auction, Lakeland, Fla., and Southern California Auto Auction, Fontana, Calif.

June 18 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Minneapolis Auto Auction, Plymouth, Minn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

General Motors

June 10 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; and Brasher's Auto Auction, Fontana, Calif.

June 11 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; Denver Auto Auction, Englewood, Colo.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Used Car Sales
Auction Averages

June to date	$5,901
Month ago	$5,846
Year ago	$5,165

Model Breakdown
Auction Averages

	JUN 1987	MAY 1987	APR 1987
1987	$11,317	$11,046	$13,266
1986	$9,257	$9,287	$9,460
1985	$7,208	$7,194	$7,236
1984	$5,735	$5,718	$5,732
1983	$4,881	$4,873	$4,842
1982	$3,712	$3,705	$3,727
1981	$2,725	$2,705	$2,635
1980	$2,152	$2,141	$2,170
Overall Average	$5,901	$5,871	$5,832

C-P-C speeds birth of vehicle

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC, Mich. — General Motors' Chevrolet-Pontiac-Canada Group has implemented a new process for developing vehicles in an effort to get them to market faster.

Donald L. Runkle, former Chevrolet chief engineer, now directs C-P-C's Advanced Vehicle Engineering where Chevrolet and Pontiac production cars and concepts cars are born.

Advanced Engineering and Advanced Manufacturing are responsible for Phase 0 of the four-phase process. Phase 0 is the technology development and preliminary design phase.

The idea, Runkle said, is to do as much preliminary planning and engineering as possible to prevent problems later in the development process and to avoid doing the final design work more than once.

In the past, Runkle said, a vehicle went from concept to design with little of the preliminary planning that is done today. Lack of planning and definition of the vehicle meant two or three designs might be necessary.

"The problem was, you might discover something in there that you didn't like," he said. "Then you got a little late on your design. Then you got a little late on the testing. Then you either delayed the production or the car wasn't exactly as good as you could have made it.

"That shouldn't happen," he added. "What happened is, you defined the product too late. You have to define the product early and spend a lot of time in Phase Zero. This allows for doing it once."

Runkle said a new vehicle is conceived in two ways: It is born from a demand from the market or it is pushed into existence by technology.

He said the market pull approach means that Chevrolet or Pontiac has asked for a new vehicle described in general terms — a four-wheel-drive, subcompact coupe, for example.

Technology may push the development of a vehicle. The technology involving a product or a new process may come from Advanced Engineering, GM Research or a supplier. Advanced Engineering tests the technology on a vehicle. It calls in the marketing divisions to see if the technology will sell.

Once the car is initiated, Advanced Engineering develops a Level 1 specification, intially a two-page description.

At that point, Advanced Engineering may pursue more than one version of the vehicle, Runkle said. For example, it may initially be done in front-wheel-drive, rear-wheel-drive and four-wheel-drive versions.

The vehicle is then narrowed down to one version. Through communication with the marketing divisions, the specifications grow into a book describing every detail of the vehicle. The book describes the content, the approximate price, options, engines, transmission, wheels and wheel covers.

AUTOMOTIVE NEWS/JOE WILSSENS

Runkle stresses preliminary planning and engineering

Runkle tells his staff that an outsider familiar with automobiles should be able to read the book and know exactly what the vehicle is like.

Once the book is written, Advanced Engineering does a preliminary design, a clay model and, ultimately, a running prototype.

Along the way there are checkpoints that list page after page of things that must done before the vehicle goes on to the next stage.

"Meanwhile," Runkle said, "the calendar is moving, and we'll change the production date if it has not passed the exit critiera."

The final check for Phase 0 is to show the vehicle to the division executives and determine if engineering interpreted the marketing group's desires properly.

"In our final check," Runkle said, "we say 'OK, Bob Burger (Chevrolet general manager), this is what we think it is, and we can go for a ride in it.' Hopefully, if we've had good tight simultaneous communication, he's not surprised. It is exactly what they had in mind and everybody is happy."

If the division likes the vehicle, it goes to the corporation for concept approval. A business plan projecting sales and the rate-of-return on the vehicle has been made during the preliminary design.

At a two- to three-day session, the vehicle is explained in minute detail to GM executives.

If approved, the vehicle moves into Phase 1, the detailed design phase; followed by Phase 2, the validation and testing period; and, ultimately, Phase 3 — production.

As the vehicle passes through the four phases, the people who worked on the original concept, including the chief engineer, often accompany it.

The other guiding philosophy in the process is the "car focus," as Runkle called it. Some of his staffers called it "esprit de car."

For a particular car, Advanced Engineering pulls people from advanced body, advanced chassis, advanced electrical, advanced powertrain, advanced manufacturing and advanced development into an organization that reports to the chief engineer of the car.

"That team then speaks only Celebrity or speaks only Fiero," Runkle said. "I think then we have the esprit de car."

While the engineering of the product is going on, C-P-C Advanced Manufacturing, housed in the same office building as C-P-C Advanced Engineering, is formulating the process to build the vehicle.

The idea is to have product and process engineers in the same building so they can develop the process at the same time that they develop the product. The procedure is known as simultaneous engineering.

In the past, a car was developed sequentially, Runkle said. The preliminary engineering work was done and then the vehicle was passed along to design. Design, in turn, passed it along to product engineering, which sent it to manufacturing engineering.

Runkle likened the new method of developing a car to the way a house would be renovated.

"If you're renovating a house, you plan the whole thing out and work together on it," he said. "It goes better and ends up costing a lot less money."

The process engineers can tell the product engineers if a part they are designing can be made, he said. The process engineer can show the product engineer the machines to tool the parts so the product engineer can design the part to be made easier.

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Rolls sniffs up new ad gimmick

LYNDHURST, N.J. — What does the interior of a $100,700-plus Rolls-Royce smell like?

Few Americans can afford to find out, but the readers of the July issue of Architectural Digest can experience the sensation through the importer's latest ad campaign.

In a four-page ad insert, Rolls-Royce Motor Cars is using strips of paper scented like the leather upholstery in its cars. The ad says, "This in essence is Rolls-Royce."

"Rolls-Royce appeals to one more of the five senses than most cars — the sense of smell," said Robert Wharen, marketing vice president of Rolls-Royce Motor Cars Inc., the importer of the British luxury cars.

Rolls-Royce got the idea for the ad from customers who commented on the distinctive smell of the cars' leather interiors. Wharen said the importer spent two months developing the right scent for the ad. The "chief nose" at a specialty printing and technology company sat in a Rolls-Royce and compared the scent with a machine-generated fragrance, he said.

A group of Rolls-Royce executives then compared variations of the scent.

"It was rather like a wine tasting," Wharen said. "After experiencing each sample, we had to breathe fresh air to clear our sense of smell," he said.

Della Femina, Travisano & Partners, New York, created the campaign.

SALES

FROM PAGE 1

cent and Volkswagen was up 4.59 percent because sales of U.S.-built Jetta models are being reported as domestic sales for the first time.

In May's final 10-day sales period, deliveries of domestic cars totalled 250,045 units, off 12.81 percent from the 286,788 sold in the closing period of May 1986.

AMC had a decline of 30.44 percent in the period; General Motors dipped 27.44 percent; and Chrysler Motors was down 0.22 percent. Ford was up 2.43 percent.

Nissan sales climbed to 7,174 units from 284 a year earlier. Volkswagen had a rise of 31.24 percent on a unit increase to 4,516 this year vs. 3,414 in the final period of May 1986. Honda's sales in the period rose 58.30 percent.

Toyota sold 2,638 units in the May 21-31 period and 4,463 units in the month. It was not selling U.S.-built cars last year.

Incentives in May were widespread among the traditional domestic-make vehicles, Subaru cars and on most Japanese light trucks. European makers, in general, have been eschewing retail sales incentives. Exceptions are Volkswagen with financing specials and Audi, which offers a hefty rebate deal to current Audi owners.

In terms of share of the market for May, GM took 34.52 percent; Ford Motor, 20.43 percent; and Chrysler, 9.17 percent. Honda's share was 2.95 percent; Nissan's was 1.69 percent; and Volkswagen's was 0.89 percent. Toyota had 0.51 percent of the domestic market and AMC had 0.33 percent. Imports accounted for 29.51 percent.

The Ford analyst said Ford continues to expect industry sales for this year to amount to 15.0 million units, consisting of 10.2 million cars and 4.8 million trucks. Last year the industry's sales total was a record 16.3 million units. It consisted of 11.4 million cars and 4.9 million trucks.

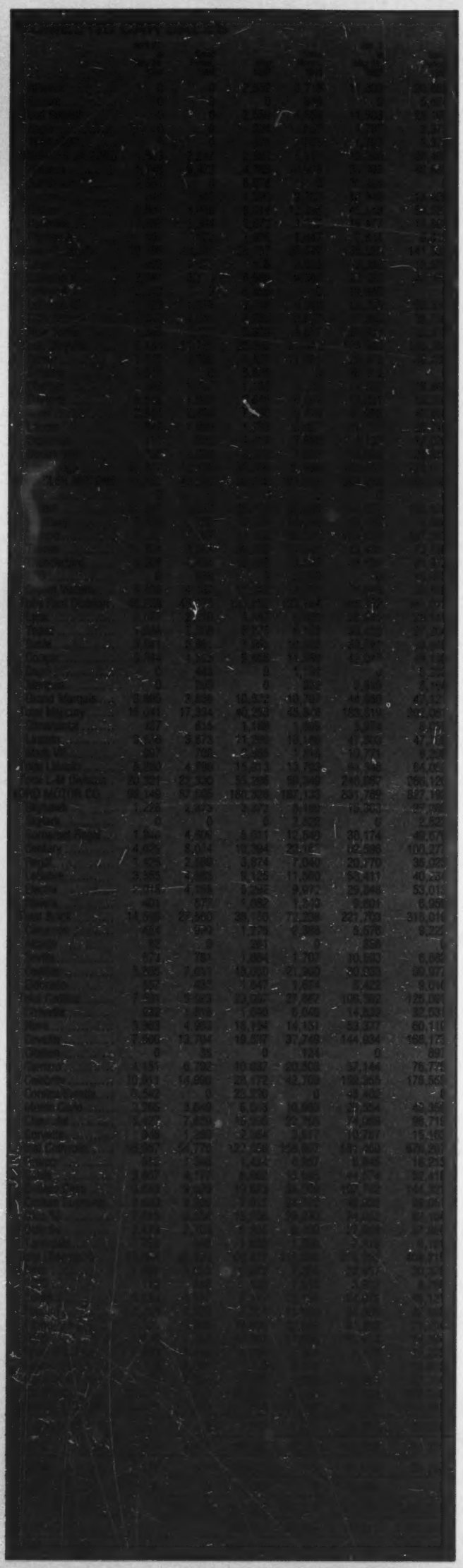
U.S. CAR SALES BY MARKETING UNITS

	May 1987	May 1986	5 Mos. 1987	5 Mos. 1986
Chevrolet	131,852	172,183	630,725	741,0
Ford	126,164	127,784	565,158	561,0
Oldsmobile	60,477	115,598	315,902	484,2
Toyota	55,140	62,489	210,220	237,6
Pontiac	50,602	86,959	280,464	370,5
Buick	38,150	72,238	221,788	311,5
American Honda	61,802	54,961	280,941	236,5
Nissan	40,935	48,543	225,582	211,1
Dodge	35,017	45,842	176,589	208,5
Mercury	41,296	47,265	167,252	207,5
Plymouth	30,975	39,711	157,907	167,7
Chrysler	24,629	31,449	108,462	143,0
GMA	26,606	29,512	99,950	124,0
Oldsmobile	22,353	13,963	99,567	57,2
Cadillac	23,097	27,867	108,382	125,0
Lincoln	15,129	19,853	66,429	86,0
Subaru	16,123	14,055	63,174	73,0
Lincoln	15,013	13,703	69,548	64,0
Volvo	10,462	10,346	52,861	51,8
BMW	7,796	7,967	35,078	37,2
Mercedes	8,297	7,772	36,199	34,1
AMC-Renault	4,366	5,364	17,148	31,0
Saab	3,669	4,273	17,969	19,2
Mitsubishi	6,446	3,857	29,392	19,2
Yugo	4,111	1,560	22,223	9,6
Porsche	2,473	2,149	10,323	11,5
Jaguar	2,304	2,191	7,833	9,0
Isuzu	3,271	1,712	11,713	4,5
Peugeot	695	1,017	3,886	5,5
Alfa Romeo	637	815	2,725	4,2
Maserati	60	183	303	7
Sterling	1,022	—	5,220	—
TOTAL	882,817	1,072,537	4,147,801	4,848,1

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VW/A combines imports and domestics and Audi-Volvo includes Sweden built in the U.S. Mercury includes Merkur XR4TI and Merkur Scorpio. Ford includes

IMPORTED CAR SALES

	May 1987	May 1986	5 Mos. 1987	5 Mos. 1986
Acura	9,582	4,062	40,759	8,4
Alfa Romeo	637	815	2,725	4,2
Audi	5,531	5,568	18,473	21,4
BMW	7,796	7,967	35,078	37,2
Chevrolet Sprint	2,264	8,147	16,213	42,4
Chevrolet Spectrum	4,858	7,139	25,253	36,8
Chrysler Conquest	1,008	—	1,008	—
Dodge Colt	8,278	2,638	44,215	9,3
Dodge Conquest-Vista	1,140	1,233	5,731	5,3
Ford Escort	1,102	—	1,102	—
Honda	28,220	24,247	122,686	124,6
Hyundai	22,265	13,965	79,844	72,4
Isuzu	3,271	1,712	11,713	4,5
Jaguar	2,304	2,191	7,833	9,0
Mazda	11,135	11,135	47,000	57,4
Mercedes	8,297	7,772	36,199	34,1
Merkur	1,000	—	1,000	—
Mitsubishi	6,446	3,857	29,392	19,2
Nissan	7,174	284	36,647	1,4
Peugeot	695	1,017	3,886	5,5
Porsche	2,473	2,149	10,323	11,5
Sterling	1,022	—	5,220	—
Subaru	16,123	14,055	63,174	73,0
Toyota	4,463	—	17,969	—
Volkswagen	4,516	3,414	18,473	17,2
Volvo	10,462	10,346	52,861	51,8
Yugo	4,111	1,560	22,223	9,6



INCENTIVES

FROM PAGE 1

car sales in May plunged 20.85 percent below the 1986 total.

Automotive analysts say there are too many incentive programs and manufacturers do not have a consistent approach to their programs.

"It's incredibly disorganized out there," said Thomas O'Grady, president of Integrated Automotive Resources, Wayne, Pa.

"There hasn't been a consistent marketing approach to incentives. When marketing executives find one incentive doesn't work, they say, 'Oh my God, what are we going to do next?' " O'Grady said.

According to the analysts, consumers are confused by the number and the complexity of the programs and find it hard to determine what incentives apply to a specific model.

Cash rebates, low-finance rates and option discounts vary by nameplate. National advertising stresses product, not the availability of an incentive on the product. The constant changes in incentives confuse both dealership personnel and customers, analysts say.

"The confusion arises because the customer knows that there are incentives all over the place," said Michael Luckey, senior automotive analyst, Shearson Lehman Brothers, New York.

"The consumer wants to know that he's getting the best deal," Luckey said. "For instance, what's better — a cash rebate or low financing?"

Chris Cedegren, senior automotive analyst with J.D. Power & Associates, Westlake Village, Calif., said the incentives would be less confusing if manufacturers (or their divisions) offered one incentive for their entire line.

Dealers interviewed said the programs have become so complex that sales personnel are often unable to keep up with the details. A single model could have a consumer cash or financing option, an option discount, a salesperson incentive and a dealer incentive. It could even have all of them.

For instance, the Ford Tempo offers a $600 consumer cash rebate on models equipped with manual transmission, $300 for models with automatic transmission, $100 cash to the salesperson, 3.9 percent to 9.9 percent financing and group discounts on power equipment. And there's an extra $500 rebate on Tempos with air bags.

One dealer began writing the details of each incentive program on three-by-five index cards for his sales staff but gave up after several changes in the programs.

Manufacturers admit that past programs have been confusing. Chevrolet and Buick dealers recently received brochures clarifying each sales incentive offered by the divisions and by General Motors Acceptance Corp.

A GM dealer in the Tampa Bay, Fla., area said his field representative recommended that he hire an employee to keep up with incentives and process the paperwork to avoid costly mistakes.

"If I'm confused and I'm in the business, I can imagine the customer is pretty confused right now," said Roland McGinnis, owner of McGinnis Cadillac, Houston, and chairman of the Cadillac National Dealer Council.

In an effort to give incentives the punch they lost, automakers are revamping their standard cash-back and finance incentives.

General Motors divisions dropped incentives on option packages in May in order to simplify their programs. GM is also experimenting with regional incentives.

Stiff words on Japan for U.S. parts makers

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

U.S. parts makers must make an effort to supply Japanese auto plants in Japan and the United States or risk being squeezed out of business.

That is the finding of a study released by the University of Michigan's East Asia Business Program.

That strategy is needed as Japanese suppliers broaden their presence in the United States and as U.S. automakers outsource more parts from abroad, the study says. The study is entitled "Japanese Auto Parts Companies in the U.S. and Japan: Implications for U.S. Competitors."

But to make the move, U.S. suppliers will have to confront a range of cultural and economic barriers that have made it difficult to get business with Japanese original-equipment manufacturers.

In the meantime, life for U.S. suppliers won't be any more comfortable, even though Japanese transplants, with the help of a weakening dollar, are stepping up their purchases of U.S. parts.

"There can be no doubt as to the substantial threat to the U.S. supplier industry posed by the accelerating movement of Japanese parts suppliers locating in the United States," say the study's authors, Peter J. Arnesen, Robert E. Cole and A. Rama Krishna.

The study traces the strength of the Japanese supplier to that country's postwar industrialization strategy. Until the 1970s, controls on Japan's economy severely restricted imports and investment by foreign firms, resulting in a self-sufficiency and the forging of close ties between manufacturers and suppliers.

Today, those links are reflected in the way OEMs scrutinize their suppliers and the long-term relationships they hold with members of their supplier associations. The unity is further reinforced by equity ties between OEMs and suppliers.

Those features pose an intimidating front for U.S. suppliers trying to do business with Japanese automakers, either in Japan or in the U.S., the study say. Toyota, for example, has dealt with all but 7 percent of the firms in its supplier association since the 1950s.

There are other elements at work against U.S. companies. Japanese OEM demands that suppliers take an early role in product design might require U.S. makers to set up a technical office in Japan before signing a contract. The authors question whether U.S. parts firms will be willing to disclose their expected costs and profit margins, as Japanese OEMs require. They also ask whether U.S. suppliers will submit to the rigors of Japanese just-in-time inventory systems and demands for flexible production.

The study points out that while U.S. automakers are adopting some of those same systems, they are not as well developed as those practiced by the Japanese.

It doesn't surprise the authors, then, that U.S. firms have opted for joint ventures as a way to break into the Japanese business. The Japanese, on the other hand, have viewed those ventures as a way to gain access to unfamiliar markets and as a way to defuse threats of protectionism.

But there are some risks. Typically, the authors say, the U.S. partner in a joint venture offers the bulk of financial, marketing and assembly support but doesn't share in the research efforts. The higher value-added jobs — those tied to product design and production — may be kept in Japan. That trend could hamper U.S. suppliers' ability to innovate.

Ideally, U.S. firms should view joint ventures as a means to absorb the skills of the Japanese partner while protecting their distribution and marketing advantages.

"The joint venture should be looked upon as much as an 'educational experience' as a business proposition," the study says. "At a bare minimum, the U.S. joint venture should increase the American partner's understanding of what it takes to supply Japanese OEMs in Japan."

While U.S. parts suppliers face the biggest challenges, the prosperity of Japanese suppliers in America will also be threatened if trends continue, the study says. If the Japanese become too much of a force in America, they will likely run into a stiff protectionist reaction.

The study recommends that American parts makers attempt to do more business with Japanese OEMs in Japan. In that way, they will be able to combat the Japanese by creating some of the economies of scale and other strengths that Japanese suppliers have built by expanding overseas themselves.

While few U.S. parts makers will become part of the first tier of Japanese suppliers from the start, they could find spots on the second and third rungs of the ladder. From there, the study concludes, U.S. firms will have the best chance of making it into the first group.

Pontiac LeMans on sale this week
Pontiac LeMans models are being loaded on haulaway trucks at the Jacksonville (Fla.) Port Authority in preparation for distribution to Pontiac dealers across the United States. The subcompact LeMans, imported from Daewoo Motors in South Korea, goes on sale nationwide June 11. Prices start at $5,995.

12 LEADING MOTOR VEHICLE PRODUCERS WORLDWIDE

	1986	1985	1984	1983	1982	1981
General Motors	8,592,600	8,467,977	8,256,000	7,760,000	8,244,000	8,782,000
Ford Motor Co.	5,815,745	5,550,500	5,394,651	4,934,231	4,267,527	4,492,487
Toyota	3,680,167	3,540,640	3,429,240	3,182,614	3,188,704	3,254,943
Volkswagen	2,990,000	2,388,000	2,148,000	2,060,992	2,039,000	2,159,000
Nissan	2,571,248	2,336,000	2,491,000	2,482,400	2,557,269	2,611,000
Renault	2,044,553	1,674,519	2,382,369	2,789,816	1,992,985	1,527,000
Chrysler Corp.	1,949,314	1,888,113	1,897,479	1,398,972	1,006,245	1,082,553
Peugeot-Citroen	1,765,400	1,628,000	1,634,000	1,737,012	1,616,393	1,580,000
Fiat	1,636,700	1,631,054	1,468,000	1,441,970	1,385,187	1,364,000
Honda	1,582,000	1,363,491	1,304,833	1,087,776	1,020,000	1,045,000
Mazda	1,495,170	1,336,210	1,336,108	1,291,359	1,202,593	1,230,000
Mitsubishi	1,288,697	1,238,351	1,188,600	1,018,463	1,024,243	1,085,000

VW, Renault lead 1986 production gains

By Theodore G. Coutilish
SPECIAL CORRESPONDENT

Most leading motor-vehicle manufacturers posted slight production increases for 1986. Only Renault and Volkswagen had major gains.

After a lull in 1985 following two strong years, Renault rebounded with an increase of 370,034 vehicles in 1986. That was a 22 percent improvement.

Volkswagen showed the biggest advance, with an increase of 411,000 over 1985, due to its acquisition of Spanish carmaker Seat during the year. VW's production jumped 17 percent.

General Motors, Ford and Toyota retained the top three positions. Of the three, Ford posted the biggest production gain at 365,245, followed by Toyota at 119,521 and General Motors at 40,966.

In the ranking of leading manufacturers last year, Volkswagen moved ahead of Nissan into fourth place and Renault passed Chrysler to take sixth place. Chrysler's production increased marginally at 14,201.

DOWNTURN: *GM economist expects '87 sales dip; blames tax reform, 1986 incentives*

By Julie Whitmore
SPECIAL CORRESPONDENT

CHICAGO — General Motors believes a decline in domestic automotive sales during 1987 is a "virtual certainty" given the aggressive manufacturer incentives and tax reforms that shifted sales of approximately 400,000 1987 units back into 1986.

E.J. Sullivan, director of North American macroeconomics for GM, told economists here that 1987 U.S. vehicle sales will fall nearly 8 percent to 15.1 million units, including 10.5 million cars and about 4.6 million trucks.

For 1988, Sullivan projects domestic sales of 15.7 million, including 10.9 million cars and 4.8 million trucks.

While car sales fell off sharply at the start of 1987, they picked up to a 10-million annual rate by the first 20 days of May, Sullivan said.

Sales of foreign-sponsored cars are expected to total 4.1 million this year and 4.4 million in 1988, the latter essentially unchanged from 1986. In the first quarter of 1987, foreign-sponsored car sales took about 30 percent of the market versus 28.5 percent in 1986, Sullivan said.

Foreign-sponsored truck sales meanwhile accounted for about 19 percent of the market last quarter, compared with 20 percent in the year-earlier period.

Sales this year will remain above 15 million units for the fourth consecutive year. This suggests that auto and steel manufacturing will continue to be sustaining forces for the U.S. economy, despite the enormous competitive challenges faced by both, Sullivan told The Conference Board's annual mid-year economic outlook meeting May 29 in Chicago.

Sullivan concurred with other economists at the session that the U.S. gross national product will grow modestly this year, in the 2 to 3 percent range, thus sustaining an unprecedented five-year expansion.

They said autos and steel continue to play a pivotal role in the U.S. economy, accounting for 4 to 5 percent of the GNP. Sullivan cited a recent Federal Reserve Board report that found that changes in auto output account for nearly 30 percent of quarterly changes in GNP growth.

In general, 1987 is expected to be only a "so-so" year for the consumption and nonresidential fixed components of GNP. Real consumer spending is projected to decelerate to about a 2-percent rate of increase this year, down from 4 percent growth in 1986, Sullivan said.

Vehicle sales in unit terms have increased about 1.5 percent since 1965, or about the same as the growth trend for licensed drivers.

Inflation-adjusted dollar sales have increased about one percentage point per year above the growth in unit demand, because increasingly affluent consumers are demanding more conveniences and amenities.

Auto inventories are beginning to retreat from the unusually high levels of the first quarter, he said. Domestic stocks are currently equivalent to less than 90 days, down from a peak of 133 earlier in the year, Sullivan said.

GM would like inventories of about 90 days, he said.

At nearly 50 days supply currently, stocks of Japanese cars also have risen to their highest level since the imposition of the voluntary export quotas by the Japanese government, Sullivan said.

During the Japanese 1986 fiscal year, which ended April 30, Honda was the only Japanese manufacturer with sales equivalent to its allowable quota, Sullivan said, declaring, "At long last the sharp depreciation of the dollar is starting to have an impact on the sales of Japanese and European imports."

Still, the increases in the price of imported cars have been proportionately much smaller than the changes in exchange rates, Sullivan said. Between the first quarters of 1985 and 1987, Japanese car prices increased by 20 percent, while the yen appreciated nearly 70 percent. Similarly, German car prices increased by 18 percent while the deutschemark rose 80 percent.

In part this is because almost 50 percent of the sticker price of a Japanese car is denominated in non-yen currencies, principally the dollar, so that a substantial portion of the U.S. price is not affected by exchange rate changes. Moreover, Sullivan suggested, most importers built up substantial profit margins during the period of the dollar's high valuation, enabling them to absorb part of the initial currency appreciation. But that leeway is diminishing, he said.

On a per-vehicle basis, the price of Japanese cars have increased by more than $1,800 since the start of the 1986 model year, while prices of Mercedes-Benz passenger cars are up $4,500. Domestic price increases have averaged about $600 during the same period, he said.

With regard to petroleum prices, Sullivan predicted a 12 pecent increase, to $16.50 per barrel, in the average refiner's oil price this year.

Samuel Schwartz, senior vice president at E.I. du Pont de Nemours & Co., also predicted modest increases in oil prices over the next three years. The next major jump in prices is not likely to occur until the mid-1990s, he said. Demand also is due for only modest increases of about 1.5 percent to 16.5 million barrels per day for the United States in 1987 and 1988, Schwartz said.

With regard to the general economic outlook, The Conference Board's research director, Eric J. Kruger, was the most optimistic. While Kruger noted some major vulnerabilities that could prevent the continued modest expansion — including declines in construction, industrial production, income and consumption growth — he pointed out that there are some countervailing signs of strength.

These include continued growth in services and in overall employment, and a 17 percent increase in corporate earnings during the first quarter of this year, according to Conference Board data.

Likewise, the industrial production index for the first quarter is still 3.4 percent above where it was during the first quarter of 1986, he noted.

Kruger also cited the real increase in U.S. exports during April. Any expansion pushed by export growth is likely to be stronger than one fueled by domestic consumption, he suggested.

May car output slides

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto production in May was 623,236, the lowest for that month since 1982 when 499,242 units were built.

The month's total was 4.98 percent below April's 655,892 and 10.59 percent below the year-ago month's 697,077.

Last week's targeted auto production of 156,645 was 18.14 percent more than the previous holiday week's 132,594 but 9.07 percent below the year-ago week's 172,270.

So far this year, 3,417,903 cars have been assembled, 8.44 percent below the 3,733,117 completed last year at this point.

Companies split last week's scheduled output as follows: General Motors, 49.17 percent; Ford Motor Co., 26.14 percent; Chrysler Motors, 14.30 percent; Honda of America Manufacturing Inc., 4.27 percent; New United Motor Manufacturing Inc., 2.39 percent; Nissan Motor Manufacturing Co. U.S.A., 2.02 percent; Volkswagen of America, 1.28 percent; and American Motors, 0.43 percent.

GM's Tarrytown, N.Y., and Norwood, Ohio, plants are closed this week (June 8) for inventory adjustment. Both are expected to resume operations June 15.

GM's Arlington, Texas, and Fairfax, Kans., plants remain idle for model changeover. Chrysler's Belvidere, Ill., plant also is down for model changeover. It is expected to resume production in mid-July.

Saturday (June 6) overtime was slated at GM's Lansing (No. 1), Mich., plant.

Chrysler's Newark, Del., and Sterling Heights, Mich., plants were scheduled for Saturday overtime.

Those plants and Chrysler's St. Louis (No. 1) plant are slated for daily overtime this week.

Truck total in May best since '79

U.S. truckmakers' May production of 329,216 was the highest for that month since 1979 when 338,961 units were assembled.

Last month's output was 0.49 percent below April's 330,826 but 2.99 percent more than the year-ago month's 319,666.

Scheduled production of 79,106 trucks last week was 20.56 percent more than the previous week's 65,616 (which was affected by the holiday), and 3.37 percent more than the year-ago week's 76,530.

General Motors slated Saturday (June 6) overtime at three plants: Baltimore; Lordstown, Ohio; and Pontiac, Mich. (medium-duty line).

Canada cars dive to 23-year low

Canadian automakers' May output was the lowest total for that month in 23 years.

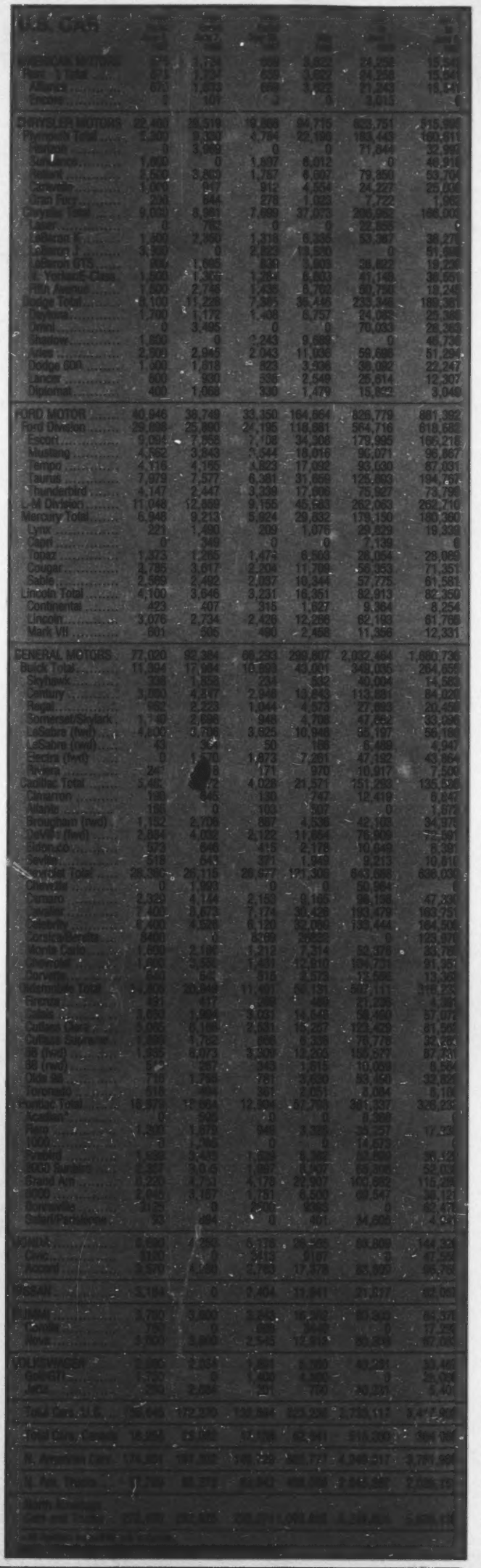
With General Motors' Ste. Therese, Quebec, plant and one of its Oshawa, Ontario, plants down for model changeover, last month's car output dipped to 62,541, the lowest May total since 1964 when 59,682 cars were built.

May's car production was 9.43 percent below April's 69,052 and 38.45 percent lower than the year-ago month's 101,618.

Last week's targeted auto output of 18,256 was 6.54 percent more than the previous week's 17,135 but 27.21 percent below the year-ago week's 25,082.

Truck output during May was reported at 78,872, slightly below (0.86 percent) April's 79,555 but a bit higher (0.80 percent) than the year-ago month's 78,243.

Scheduled production of 18,683 trucks last week was 4.22 percent more than the prior week's 17,926 but 0.32 percent below the year-ago week's 18,743.



GM to trim seat-cover operations

DETROIT — General Motors will close one of its Inland Division component plants and phase out part of a second plant next year.

GM will close the Inland Division plant in Tecumseh, Mich. The plant produces seat covers and employs 900.

Work now done at the plant will be moved to other Inland operations in Euclid, Ohio, and Grand Rapids, Mich. Some employees will be transferred, some may be considered for other GM jobs and others will be laid off.

Meanwhile, GM will seek a buyer for the plant.

GM also said it will phase out seat-cover operations next year at its Inland plant in Livonia, Mich. The plant will remain open to make door-panel trim and other trim pieces.

The Livonia plant employs 2,900 but it is not known how many employees will be affected by the announcement.

The moves, which had been the subject of speculation in recent months, are the result of a study of Inland's seat-cover capacity. The study concluded that Inland has excess production capacity and consolidation was advised.

GM is conducting similar studies of all of its component operations. GM executives have said that about 10 percent of the dollar volume of its component business is non-competitive and is unlikely to become competitive. Those non-competitive operations, not all of which have been disclosed, will be closed or sold, GM executives have said.

So far, GM has said it will close a Fisher Guide plant in Detroit by 1989 and it has completed the sale of another Fisher Guide plant in Elyria, Ohio, to Johnson Controls, of Milwaukee. The plants employ 2,000 workers each.

In November, GM announced the closing of nine assembly and body plants and the closing of portions of two others.

GM workers get COLA increase

DETROIT — General Motors' approximately 379,000 hourly employees have received a quarterly Cost-of-Living Adjustment increase of 15 cents per hour, effective June 1.

The increase raises COLA payments for GM hourly employees to 86 cents per hour for all hours worked through August. COLA payments had been 71 cents during the previous quarter. COLA is adjusted every three months in accordance with the Consumer Price Index, as determined by the U.S. Department of Labor's Bureau of Labor Statistics.

Under GM's current labor agreements, eligible employees receive a one-cent-an-hour raise for every 0.26-index-point rise in the index.

With this increase, COLA payments amount to about $1,790 on an annualized basis for an average hourly employee. Including COLA payments, GM hourly employees in 1986 averaged more than $37,000 in cash compensation. The average labor cost for wages and benefits for hourly employees exceeded $50,000 in 1986.

Since 1984, COLA payments have risen from 5 cents per hour to the current 86 cents per hour.

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Automotive News

June 15, 1987

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Ford plays it tough at glass unit

Concessions sought to save U.S. work

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

CHICAGO — A preliminary document detailing Ford Glass Division's bargaining plans said the company will push for wage cuts and revamped work rules, and if it is unsuccessful may "be forced over time to abandon the business entirely."

The document said the UAW will be given a chance to man a new glass fabrication plant the company plans to build next year, but that if the union does not grant wage concessions and work-rule changes, the plant will be built in Mexico.

The document belies the widespread notion that Ford Motor Co., unlike General Motors, has virtually completed its cutbacks, having laid off more than 100,000 workers and closed or sold a score of plants since 1979.

The plans in the internal document, obtained from a union source, likely reflect those of other Ford Diversified Products Operations, which include 10 component businesses. The document said the plans are "likely common goals for all components" but were "intensified for the Glass Division because of our particular non-competitive situation."

A Diversified Products spokesman declined to comment on de-

see FORD, page 93

AUTOMOTIVE NEWS/JOE WILSEREN

Elmer Johnson

GM's mystery man moves into limelight

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Elmer Johnson, a tenacious lawyer with a penchant for Plato, brings a fresh face — and fresh ideas — to the General Motors boardroom.

Four weeks ago, he was one of the two biggest newsmakers — only time will tell which — to emerge from GM's annual stockholders meeting and the board meeting that followed. The other was Robert Stempel, who was elected GM's new president.

But while Stempel received the lion's share of the attention, it was Johnson's election as executive vice president — operating staffs and a member of the board that formally brought a new face into GM's highest echelons.

In fact, Johnson had been in and around such ranks for years, but in tapping him for the big promotion, GM Chairman Roger B. Smith admitted that Johnson — along with Stempel, Executive Vice President F. Alan Smith and Executive Vice

see JOHNSON, page 91

New-car glut: 2.5 million clog dealers' lots

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

In spite of continuing Herculean retail sales efforts, the industry's June 1 stockpile of unsold new cars remained at glut levels.

For the second month in a row, the domestic industry's inventory consists of nearly 2 million cars at dealerships and in transit as buildouts loom and new-model introductions approach.

Imports fared no better: Stockpiles of both cars and trucks hit record high levels for June 1.

Stockpiles become especially worrisome at this time of the year because, ideally, dealers should be emptying their lots in anticipation of new models and the traditional hoopla that goes with them.

It was General Motors' huge inventory last summer that triggered that company's across-the-board 2.9 percent financing that quickly spread through an industry plagued by high stockpiles.

June opened with a stock of 1,910,805 United States-built cars, a 77-day supply. On May 1, the total was 1,912,132, or 72 days.

On June 1 last year, stocks totaled 1,866,853 units, equal to a 62-day supply. June 1985, opened with a total of 1,546,188 units, or a 50-day supply.

There was a record high number of imported cars in inventory June 1 at ports of entry, in transit and at dealerships. The combined stockpile totaled 606,583 units compared with 387,911 on June 1 last year and 297,000 on June 1, 1985.

The combined total of unsold new U.S.-built and foreign-built cars June 1 was 2,517,388. A year before, the total was 2,254,764.

The inventory, when placed in a days-supply frame, looked a bit less grim for the imports.

As of June 1 this year, the imported-car stockpile was the equivalent of a 58-day supply compared with 37 days last year and 29 days as of June 1, 1985.

Stocks of imported trucks June 1 this year also were at a record high — 230,562 units, a 67-day supply. A year earlier the truck figure was 177,788 units, or a 51-day store. On June 1, 1985, it was 92,815, a 31-day supply.

A 55-day or 60-day supply of cars or trucks is considered optimal.

Reports have been prevalent that domestic dealers — particularly GM's — have not been ordering buildout cars in their usual numbers.

Jim McDonough, sales manager at Jones Chevrolet in Whittier, Calif., perhaps was typical of GM retailers. He said, "My inventory is in good shape. I'm right where I want to be."

He was echoed by Bob Nolan,

see GLUT, page 90

TALKS: *Conflicts loom large as UAW faces GM, Ford*

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

As they step up to the bargaining table next month, negotiators for the UAW, General Motors and Ford Motor Co. face an unusually complicated task: Reconciling the union's major priority of job guarantees with the companies' top goal of increased competitiveness.

"I think GM used to like to have enough business to argue with us about money," said UAW Vice President Donald Ephlin, who heads the union's GM department. "Those were much better days."

Further complicating bargaining are differences in finances and employee morale at Ford and GM. The gap might mean that traditional pattern bargaining will not work this time around.

But no matter who is the strike target, this year's talks will be conducted in an atmosphere ringing with accusations. The philosophical differences between the corporations and the union have been keenly articulated in recent months.

In one example, UAW President Owen Bieber called GM's decision to shift some production of the Chevrolet Celebrity, Buick Century and Oldsmobile Cutlass Ciera to Mexico "a slap in the face of the American workers and consumers who have made GM successful through the years."

In another, UAW Vice President Stephen P. Yokich, who heads the union's Ford department, called a Lincoln-Mercury Division letter to Ford employees urging them to use their profit-sharing checks to buy new Lincoln-Mercury cars "insensitive" and "huckstering." The letters also were sent to employees of the Rouge Steel Division, who do not receive profit sharing because they are covered by a different labor agreement.

see BARGAINING, page 62

U.S. car share seen sinking as capacity grows

By A.S. Plotkin
SPECIAL CORRESPONDENT

CAMBRIDGE, Mass. — Excess North American production capacity of more than 4 million cars a year and a sharp decline in market share for U.S.-based makers by 1990 are the gloomy forecasts of a prestigious group studying the industry.

The leaders of a four-year study by the Massachusetts Institute of Technology expect the share of the new-car market held by U.S.-based automakers to decline to 52 percent by 1990. In 1986, it was 67 percent.

At the same time, sales of cars from transplant manufacturers in the United States are expected to take 18 percent of the market in 1990, and sales of cars by non-Japanese or European producers are predicted at 5 percent. The re-

see CAPACITY, page 90

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Scam shakes bank's confidence in VW — Page 2
Light-truck sales fall 6% in May — Page 14
Chapin looks back on AMC remembered — Pages 86-88

New tax bite no disaster for dealers

CRAIN NEWS SERVICE

New-car dealers are likely to avoid a little-noted provision in last year's tax law that requires companies to allocate a portion of their pension — and other benefit — costs to inventory costs.

"The big thing is that dealers meet the important exceptions," said Jeffrey Eckles, of Plante & Moran, certified public accountants. "They must have a terrific lobbyist."

Eckles specializes in dealership tax returns. He said the provision, known as the uniform capitalization rules, will have "a very insignificant impact" on dealers, perhaps raising taxes a maximum of "a few thousand dollars at most."

He said dealers can elect to use a simplified resale method of accounting that will allow them to take advantage of exceptions not available to all segments.

"Warehousers and wholesalers are going to get clobbered this year," Eckles said.

The 1986 Tax Reform Act requires companies to include normal pension costs in inventory as an indirect cost. Companies must revalue their inventories for tax years beginning Jan. 1. However, companies can spread the effect of that change over four years.

Pension costs now must be capitalized during the period it takes to sell the manufactured items.

Therefore, inventories will be boosted by the amount of the includable pension costs. Because gross income equals net sales plus changes in inventory, companies with expanding inventories will face rising tax bills.

The change in treatment of pension costs may result in short-term increases in taxes and deferral of pension deductions for numerous companies, particularly manufacturers and retailers.

Because of that revaluation requirement, the Treasury Department will reap a "one-shot" gain where those changes boost the value of inventories, said Ethan Kra, principal and actuary at William M. Mercer-Meidinger-Hansen Inc., New York.

The uniform capitalization rules are expected to raise $4.1 billion in new revenue this year; $7 billion in 1988; $7.4 billion in 1989; $7.7 billion in 1990; and $6 billion in 1991. A breakdown of how much revenue the pension provisions will raise was not available.

AUTOMOTIVE TV ADVERTISING
FIRST QUARTER

	1987	1986	% Gain
Non-network	$367,459,900	$278,418,900	31.98
Network	273,641,900	231,608,900	18.15
Total TV	641,101,800	510,027,800	25.70

SOURCE: Television Bureau of Advertising from Broadcast Advertisers Reports data.

LEADING TV ADVERTISERS
FIRST QUARTER

	1987	1986	% Change
NETWORK			
General Motors	80,108,100	63,048,000	+ 27.06
Chrysler Motors	41,510,500	21,201,500	+ 95.79
Ford Motor Co.	36,999,300	52,442,400	– 29.45
NATIONAL & REGIONAL SPOT*			
General Motors	60,792,300	47,884,600	+ 26.96
Ford Motor Co.	31,318,400	19,696,600	+ 58.99
Nissan	29,924,600	19,476,900	+ 53.64
Toyota	25,050,400	21,862,700	+ 14.58
Chrysler Motors	20,091,400	15,558,400	+ 29.14
Hyundai	11,634,800	4,754,900	+144.69

*Includes company, dealer associations, all products and services.
SOURCE: Television Bureau of Advertising from Analysis of Broadcast Advertisers Reports data.

Auto TV spending up

First-quarter total climbs to $641 million

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Spending for automobile television advertising rose 25.71 percent to $641.1 million for the first quarter of 1987 from $510.0 million for the same time period a year ago.

The figures were supplied by the Television Bureau of Advertising.

Total spending includes carmakers and their dealer associations. The bureau analyzes data supplied by Broadcast Advertisers Reports.

Automakers outpaced other industries in spending, including food and food products, which spent $637.8 million for the most recent quarter.

"This is the first time I can remember that the auto industry has spent more than the food industry," said Dick O'Donnell, marketing director for the Television Bureau of Advertising.

But another reason could be that the food industry, whose TV ad spending increased only one percent over the first quarter of 1986, is shifting its ad dollars to coupons and promotions.

Fred Danzig, editor of Advertising Age, said, "It's no secret the food industry has been switching from media to promotions for the past year."

General Motors boosted TV spending to an estimated $60.8 million in national and regional spot ads for the first quarter. The total was the highest of any advertiser. GM's spending was up 26.96 percent over the $47.9 million reported for the 1986 quarter.

National and regional spot ads include company and dealer associations and all products and services.

In spot ads, Ford increased spending 58.99 percent to $31.3 million from $19.6 million a year ago; Nissan was up 53.64 percent to $29.9 million from $19.4 million; Toyota was up 14.58 percent to $25.0 million from $21.8 million; and Chrysler was up 29.14 percent to $20.1 million from $15.6 million.

Spending by Hyundai leaped 144.69 percent to $11.6 million from $4.8 million. Hyundai began exporting cars to this country in the first quarter of 1986.

GM led other automakers in network ads (company only) for the first quarter, hiking buys 27.06 percent to $80.1 million from $63.0 million a year ago.

Chrysler boosted its network buys 95.79 percent to $41.5 million from $21.2 million.

A Chrysler spokesman said heavy spending in the first quarter was due to the launch of the LeBaron coupe and convertible, the V-6 Grand Voyager and Grand Caravan stretch minivans and the Dakota mid-size pickup.

Ford's network advertising dipped 29.45 percent to $36.9 million from $52.4 million a year ago.

The Taurus/Sable launch in the first quarter of 1986 could account for this year's decline.

However, there has been a trend within the industry to divert television advertising dollars to regional spot ads from network advertising.

Mitsubishi to expand U.S. product lineup

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Recchia: Mitsubishi plans to boost its dealer count from 160 in 39 markets this year to 328 in 150 markets by 1991.

DETROIT — This fall, Mitsubishi Motor Sales of America will begin a product push that will put a new model into dealer showrooms every six months for four years.

The expanded product lineup accompanies the company's move to penetrate the top metropolitan markets in the United States by boosting its dealer count from 160 in 39 markets this year to 328 in 150 markets by 1991.

The company plans to limit the number of dealers franchised in each market.

Mitsubishi's strategy calls for use of 50 "limited-product dealers" carrying only trucks in 1987 and 1988 as the company readies a dealer network that will handle an expected increase in volume from 135,500 cars and trucks this year to 287,206 in 1991.

Richard Recchia, executive vice president of Mitsubishi Motor Sales of America, described the company's three-tier product strategy. It will rely on serving the low end with the Hyundai-built Precis, filling the mid-range with vehicles assembled in the United States by its Diamond-Star joint venture with Chrysler and importing more upscale products from Japan.

Mitsubishi is the only Japanese vehicle importer to post a sales gain in the first five months of 1987. It reported sales of 26,392 cars in the first five months of 1987 compared with 19,771 in 1986.

Recchia said a restyled Galant with a V-6 engine will be introduced this fall to compete with models like the Acura Legend.

He also described the replacement for the Tredia as a "much more upscale, Euro-type sedan." That model is scheduled for a spring 1988 introduction.

"The replacement for the Mirage will also be coming next year," Recchia said. "And all of our engines are going into multi-valves, even in smaller cars."

Mitsubishi has no plans to add a convertible to its passenger-car lineup, according to Recchia. The introduction of a convertible sport utility-vehicle is a possibility, he said.

The truck lineup will receive an extended-cab pickup this fall and under consideration is a V-6 four-door sport-utility that may be imported in the 1989 model year.

Recchia said no date has been established for the U.S. introduction of a vehicle with four-wheel-steering. However, Mitsubishi will offer the Galant equipped with 4ws in Japan next spring, he said.

The company's product push took a major step in March with the introduction of the Precis, a Mitsubishi-badged version of the Hyundai Excel. Recchia said plans through 1991 call for a volume of 30,000 Precis units annually.

The next thrust will come when Diamond-Star begins production of a two-door sports specialty coupe in late 1988. Diamond-Star is a joint venture of Mitsubishi Motors Corp. and Chrysler Motors in Bloomington-Normal, Ill.

Will 'Eagle' fly as AMC name?

There are lots of loose ends in Chrysler's planned takeover of American Motors — not the least of which is what the AMC unit will be called.

Several names are under consideration, sources say, and no firm decision has been made. But one popular choice for the new subsidiary is the name Eagle.

AMC has a four-wheel-drive automobile by that name. And what could fit better with Chrysler's American theme than an American Eagle?

But nothing is certain.

After all, some thought Lido (the first name of Chrysler Chairman Lee A. Iacocca) was a shoo-in name for Chrysler's new Maserati sports car last year. But the idea was shot down almost as soon as it surfaced publicly and the car's name is now the Chrysler TC by Maserati.

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3 auto analysts to address World Congress

Three prominent analysts will share their insights on auto manufacturers, marketers and consumers at the 12th annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

They are: J.D. Power III, president, J.D. Power and Associates; Maryann Keller, vice president, Furman, Selz, Mager, Dietz & Birney Inc.; and Jay Houghton, manager of marketing, Audi of America Inc.

This year's overall Congress theme is "Facing Up to Competitive Times."

Power and Houghton will speak Monday, July 26, when the day's theme will be "Recoveries and Strategies for the Domestic Industry."

Keller will speak Wednesday, July 28, when the daily theme will be "Coping With Change."

Power has spent 25 years in the automotive industry, the last 19 as president of what has become one of the most prestigious automotive marketing research firms in the world.

His company, headquartered in the Los Angeles suburb of Westlake Village, has numbered among its clients virtually every auto manufacturer and importer serving the U.S. market.

Power's previous auto industry experience included stints at Ford Motor Co. and with Marplan as a marketing consultant for Buick and GMC Truck & Coach.

Before joining Audi, Houghton was vice president — account supervisor at DDB Needham Worldwide Inc., Troy, Mich. The subject of his World Congress address is "The Discipline of Semiotics."

He calls semiotics "a general philosophical theory of signs and symbols that deals with their function in both artificially constructed and natural languages."

At Audi, Houghton and his group have analyzed design elements of automobiles — such as grilles, taillights, instrument panels and wheels — for their influence on consumers.

Before joining her present firm, an investment house, Keller was director and portfolio manager at Vilas-Fischer Associates, and prior to that was first vice president at Kidder, Peabody & Co. Inc.

Keller, whose World Congress topic will be "A Critique and Update of the Industry," often appears on television as a commentator on automotive industry conditions.

She has testified before the Senate and House Banking committees and has served on advisory panels of the Office of Technology Assessment of the U.S. Congress in areas of automotive technology and international competition within the industry.

This year's World Congress will have more than 30 speakers, who will share their knowledge and viewpoints on where the car and truck industry stands today and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

TRUCK INDUSTRY

Ford expects to benefit from change in buying patterns

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The heavy-truck market's shift toward smaller vehicle classes favors Ford.

That was the message delivered by John Merrifield, heavy-truck sales manager, to the Ford Truck Operations field sales force at its annual meeting in Atlanta.

Ford has traditionally been strongest in the Class 6-7 segments, which have been growing, partly at at the expense of Class 8, Merrifield said.

But the Class 8 market, like the medium segment, has been strong thus far this year, according to sales data compiled by the Motor Vehicle Manufacturers Association.

Some industry analysts wonder how long it will continue. But for now, truck manufacturers are making the most of it.

Ford sources said the Kentucky plant where it builds medium and heavy trucks has been on weekday overtime and Saturday overtime is scheduled this month.

The medium segment though, while strong, is still very competitive.

Hino, which is breaking into the U.S. market, currently has a big salespeople/sales manager incentive, for example.

Such incentives and cutthroat pricing actions have their effect all through the medium-duty market, including models like Ford's F series and Chevrolet's C series.

Meanwhile, Merrifield pointed to strengthening acceptance of Ford's mid-range diesel engine, the growing popularity of its Cargo model and the shift in Class 8 to conventionals such as Ford's LTL-9000 and "baby eights" like the LN-9000 as favoring company sales.

Ford recently introduced a higher-powered, higher-GVW-rated CF-8000, and it is expected to introduce a new "aero-max" version of its L-9000 this fall.

Ford will join Navistar, Volvo-White, Kenworth and Peterbilt, which now offer such aerodynamic versions of their heavy trucks.

Merrifield told the Truck Operations field force that Ford's development of its own diesel engine and Premium Supplier Team concepts are enabling it to hold down costs while improving quality.

He also noted that the company's Work-Ready pre-spec'd truck program is continuing to gain acceptance, now representing about 18 percent of the production mix at the Kentucky truck plant.

Merrifield said the market's shift toward smaller Class 8 and medium-duty vehicles was due primarily to the U.S. shift away from an industrial-based economy.

"More and more goods are coming into the country already fabricated and are distributed through a hub-and-spoke distribution system," he said.

"With the emphasis now on distributing finished products, rather than raw materials, bulk-out is a more important factor than gross-out. Now, trucks can have lower GVWs and lower horsepower," he added.

Other changes forcing the market shift to lower truck classes, according to Merrifield, are deregulation, increasing insurance costs and greater rate competition.

Ford is pushing increased dealer participation in customer satisfaction programs to buoy future sales.

Merrifield cited dealer certification programs for sale and service of the Cargo and the Ford diesel engine as two major examples of programs aimed at meeting customer needs for sales, parts and service.

Those programs require dealers to meet specific company standards for stocking levels in order to handle its Brazilian-built imported trucks and engines.

6% decline in May cuts '87 edge for light trucks

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Light-truck sales tumbled in May, reflecting a general softening in market demand.

May sales were off 5.9 percent from a year ago, though they still showed a narrow 1.3 percent gain over last year for the first five months.

In May, light-truck dealers retailed 409,391 units compared to 435,386 in 1986.

For five months, they retailed 1,888,344 units, up from 1,863,257 a year ago.

Dodge, Jeep, Isuzu, Mitsubishi and Suzuki managed to buck the May trend.

Dodge sales, aided by the availability of new truck lines like the Dakota and Raider and a firmer demand for the high-volume minivans, were up 15.2 percent in May.

Dodge retailed 63,288 trucks last month compared with 54,921 a year ago.

For the first five months, its sales of 276,587 light trucks were up from 236,102 a year earlier.

Jeep is being helped by its Comanche, whose sales were up 68.1 percent over last year and 29.3 percent for the first five months of the year.

Jeep posted a 7.3 percent gain in May on sales of 17,146 trucks and a 5.7 percent gain for five months on sales of 81,186.

Ford's sales are holding at a high level, though they showed some early signs of weakening last month.

Ford retailed 125,460 light trucks in May, slightly below 127,384 a year ago.

For five months, Ford's total of 574,903 was 8.1 percent higher than a year ago.

Chevrolet is continuing to struggle.

Its May sales of 99,413 units were off 19.8 percent from a year ago, and its five-month tally of 464,892 was off 10.1 percent.

The 1988 Chevrolet C/K and GMC Sierra pickups, introduced in April, are building momentum, though they're still not a major factor in General Motors' overall full-sized pickup sales.

LIGHT-DUTY TRUCK SALES

	May 1987	May 1986	5 Mos. 1987	5 Mos. 1986
Vans	16,203	16,357	75,396	72,916
Aerostar	15,085	15,177	63,563	56,224
Club Wagon	2,623	3,072	12,100	11,919
Ranger	28,663	29,627	135,782	120,421
Bronco	4,372	4,254	20,739	19,739
Bronco II	9,321	9,192	44,520	36,940
Pickups	49,193	49,705	222,803	213,834
Ford	**125,460**	**127,384**	**574,903**	**531,993**
Vans	10,173	14,492	42,967	55,226
Sportsvan	947	1,737	5,215	7,433
Astro	14,228	15,939	59,250	62,014
S-10	18,864	21,673	93,406	91,283
S-10 Blazer	11,072	16,532	58,448	66,112
El Camino	1,168	1,986	5,370	9,846
Blazer	2,171	3,938	11,836	17,178
Suburban	4,901	6,481	21,339	23,675
Pickups	35,889	41,172	167,061	184,387
Chevrolet	**99,413**	**123,950**	**464,892**	**517,156**
Vans	6,676	9,154	27,803	31,001
Ram Wagon	3,025	5,047	13,128	18,398
Voyager	13,422	10,625	48,236	49,066
Caravan	13,738	10,827	51,575	50,589
Mini Ram Van	1,034	1,311	5,501	6,569
Ram 50	4,999	7,055	28,896	31,769
Raider	1,700	0	7,127	0
Ramcharger	1,836	2,966	10,199	9,374
Dakota	9,498	0	42,135	0
Pickups	7,360	7,936	41,987	39,336
Chrysler	**63,288**	**54,921**	**276,587**	**236,102**
Vans	2,906	3,611	15,627	15,253
Safari	2,894	3,134	12,776	13,304
S-15	3,809	4,940	19,701	21,399
S-15 Jimmy	2,500	3,713	14,271	15,906
Jimmy	644	766	3,289	3,438
Caballero	121	250	687	1,215
Suburban	1,892	1,985	7,675	7,601
Pickups	9,405	10,160	45,284	46,385
P Mood	281	411	2,387	1,802
W-4	123	110	572	486
GMC	**24,577**	**29,698**	**122,169**	**126,789**
Wrangler/CJ	2,748	2,787	11,815	14,114
Wagoneer	1,021	898	5,180	4,239
Cherokee	8,727	8,836	42,594	39,405
Grand Wagoneer	937	1,202	5,166	6,186
Comanche	3,556	2,116	15,770	12,194
J-10/J-20	159	141	661	640
Jeep	**17,146**	**15,978**	**81,186**	**76,778**
Toyota	32,886	36,478	129,586	154,896
Nissan	15,853	21,164	92,464	93,296
Mazda	10,701	15,206	49,339	59,630
Isuzu	7,104	3,865	35,491	34,543
Mitsubishi	4,647	2,684	20,379	14,190
Suzuki	8,000	4,436	36,942	16,623
Subaru	98	240	935	1,261
Range Rover	220	0	469	0
Imports	**79,507**	**84,073**	**368,607**	**374,439**
Industry Total	**409,391**	**435,385**	**1,888,344**	**1,863,257**

Chevrolet retailed 9,807 of the new C/K models in May, up from 6,080 in April. They accounted for 27.3 percent of Chevrolet's full-sized pickup sales in May.

So far, including sales in March before the introduction, Chevrolet has retailed 19,694 C/K models.

GMC sold 2,644 Sierra pickups in May, up from 1,831 in April. They accounted for 28.1 percent of GMC's full-sized pickup sales. GMC has retailed 5,613 Sierras so far.

GMC's overall light-truck sales of 24,577 last month were off 15.5 percent from last year, while its five-month sales of 122,169 were off 3.6 percent.

Import sales totaled 79,507 in May, down 5.4 percent from last year. The imports' five-month total of 368,607 was off 1.6 percent from 1986.

Navistar dealer unit grows as tax law spurs leasing

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The tax reform act is buoying the truck rental and leasing market and dealers' participation in it.

Proof of that is the growth of dealer-leasing associations, like Chicago-based Idealease Inc.

At the Truck Rental and Leasing Association convention in Las Vegas earlier this year, officials of leasing companies and leasing-related businesses said the Tax Reform Act has increased customers' interest in leasing and will benefit the full-service leasing industry.

Similarly, officials at Idealease attribute recent strong membership gains in part to a heightened interest in leasing by both dealers and their customers.

The association, which consists of Navistar-only dealers, had been growing rapidly even before the changes in the tax law.

Idealease grew out of an idea by 11 Navistar dealers in 1982 to band together to provide reciprocal services for their out-of-town truck customers.

If a customer of a member dealer has an out-of-town truck breakdown, he can get service through a toll-free telephone number and be back on the road within an hour or two, without paying any outside fee.

Aside from the reciprocal dealer services, the association also provides marketing and warranty programs for dealer members.

Ted Bertram, Idealease executive vice president and general manager, credits the success of the association to the fact that it helps dealers provide the full service required by today's customers.

Idealease also gets its dealer members the best prices available for trucks they put into rental and leasing from five to seven different pricing structures that Navistar reportedly has, according to industry sources.

At any rate, at the end of last year, Idealease had 249 heavy-duty truck dealers.

They placed more than 2,000 vehicles into operation in 1986, bringing their North American total to 9,000 units in service. That was up 27 percent from the year earlier.

This year, the association is adding another 50 to 100 dealers who already lease vehicles, which is expected to bring total membership to over 300 by September. That will represent more than 40 percent of Navistar's 700 heavy-truck dealers.

The association's dealers now have just over 10,000 vehicles in service, with a goal of 15,000, including tractors and trailers, by September.

The association operates autonomously from Navistar, which is more of a vendor than anything else, according to a spokesperson.

Idealease competes with other truck-leasing companies like Ryder, Hertz and Gelco as well as dealer associations like National Lease and AMTRA Lease.

Competitive dealer associations, though, are open to all manufacturers' dealers, while Idealease is restricted exclusively to the Navistar group.

Volvo GM building Canada home

MILTON, Ontario — Volvo GM Canada Heavy Truck Corp. has broken ground for its new headquarters in this small community near Bramalea.

Construction began earlier this month. The new facilities are expected to be ready by Nov. 6.

Kurt R. Beyeler, president of the company formed by the merger of the Volvo and GM North American heavy truck operations, was highly optimistic about the future, based on the strong dealer support.

He said dealers have already placed more than 300 truck orders with the new company, a total that is well ahead of company projections.

Dealer response, in fact, has been so strong the company has had trouble filling orders, he added. He called it "a pleasant problem."

Located adjacent to Highway 01, close to major airports and the metropolitan Toronto area, the headquarters facility will include a 55,000-square-foot warehouse and a 9,000-square-foot training area. In addition, it will have 16,000 square feet of office space.

Situated on an 8.8-acre tract, it will offer parking for 100 cars, a 150-truck depot storage area and service bays. When completed, it will have 100 employees.

DiversiTech building in Indiana

AKRON, Ohio — Work has begun on a $50 million plastic components manufacturing facility in Shelbyville, Ind., that will be operated by the Reinforced Plastics Division of DiversiTech General.

The 260,000-square-foot plant is expected to be completed in mid-1988. It will create 500 new jobs and will produce reinforced plastic components for the automotive industry. It will house molding, assembly, painting and shipping operations.

According to company officials, the Shelbyville plant will set a new standard for the industry — from the equipment used, to the design of the manufacturing process, to the way the employees are managed. They said the plant will use organizational concepts based on a participative management style.

The manufacturing process will use short-stroke compression molding presses, as well as robotics for loading, unloading and handling materials.

DiversiTech General is a custom molder of reinforced plastic components for the automotive industry. Its Reinforced Plastics Division also has manufacturing facilities in Marion, Ind., and Ionia, Mich.

Those plants provide a variety of parts, including major body panels for the Chevrolet Corvette, Pontiac Fiero hoods and headlamp covers and Chevrolet Blazer roofs.

DiversiTech General is a subsidiary of Gencorp.

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PRIOR SALES BY MODEL

ACURA				
Integra	3,888	4,063	21,589	8,145
Legend	5,018	4,389	23,591	9,599
Vigor	1,218	1,254	4,961	3,747
ALFA ROMEO	83	81	2,498	2,211
AUDI	5,238	5,138	16,972	27,332
4000	1,172	1,214	2,443	3,147
4000CS Quattro	48	208	881	1,177
5000	2,516	3,017	10,135	14,446
5000CS Turbo	363	422	1,676	2,775
5000CS Turbo Quattro	249	253	1,497	1,262
Coupe GT	114	327	484	1,370
BMW	7,799	8,317	35,276	37,331
318i	6	42	14	738
325 TD	0	213	23	1,109
325i	5,219	5,227	23,575	29,332
325is	1,380	1,335	4,030	3,227
535i/535is	412	734	3,140	2,967
5 Series	187	220	836	1,178
7 Series	1,196	586	3,186	2,766
M5	35	0	97	0
M6	75	0	300	0
X3	10	0	13	0
CHEVROLET	9,294	15,296	49,265	65,152
Spectrum	5,233	6,147	18,913	31,729
Sprint	3,968	9,139	29,632	29,423
CHRYSLER-MITSUBISHI	9,636	7,538	49,554	54,985
Colt	3,246	5,464	31,498	38,615
Conquest	1,020	439	5,513	2,370
Vista	5,370	2,916	12,543	13,748
FORD FESTIVA	1,108	0	1,453	0
HONDA	29,325	34,747	110,598	173,816
Civic/CRX	12,095	21,703	48,471	98,709
Accord	8,037	7,783	36,932	43,959
Prelude	6,233	5,401	25,185	31,118
HYUNDAI	22,343	13,963	69,867	37,255
ISUZU	3,371	1,712	11,713	13,570
I-Mark	2,442	1,083	4,493	7,348
Impulse	516	629	3,220	6,220
JAGUAR	2,304	2,191	7,832	9,002
XJ6	1,958	1,670	6,101	7,170
XJS	344	521	1,731	1,832
MASERATI	65	163	300	729
MAZDA	15,129	16,353	88,429	88,341
323	5,397	5,884	25,704	29,025
626	5,089	6,757	27,400	33,927
RX-7	4,643	4,712	15,325	20,859
MERCEDES-BENZ	8,287	8,075	38,136	38,963
190	1,604	1,610	7,992	9,129
250E	567	0	2,315	0
300	2,187	1,820	10,104	10,239
300SL Turbo	686	685	3,047	1,387
420SEL	1,272	1,272	5,694	7,068
560SEL	663	660	2,725	4,111
560SL	1,108	1,186	5,070	5,546
560SEC	163	208	797	1,131
Diesel	123	304	404	85
MERCURY	1,043	1,884	3,701	6,336
XR4Ti	771	1,550	3,367	5,238
Scorpio	234	0	334	0
MITSUBISHI	8,046	3,857	28,322	19,771
Starion	400	424	2,305	2,521
Sonata	524	464	1,778	2,156
Tredia	498	662	1,997	3,068
Mirage	1,695	1,126	4,531	4,996
Cordia	1,287	1,114	5,028	6,101
Precis	1,288	0	3,276	0
Van/Wagon	274	0	2,368	0
NISSAN	29,555	47,490	174,521	189,533
Sentra	4,146	17,888	49,404	53,157
Pulsar	4,567	4,840	27,940	20,411
Stanza	4,545	12	25,830	13,870
Maxima	5,886	10,708	30,432	46,252
200SX	2,484	4,338	14,035	20,837
300ZX	2,881	4,978	12,426	23,956
Hardbody	4,754	819	1,751	1,966
PEUGEOT	866	1,017	3,666	5,516
PORSCHE	2,413	2,440	10,825	11,521
924S	317	70	1,175	0
944	894	832	2,587	4,637
944S	195	0	1,172	0
944 Turbo	239	635	1,158	2,511
911 Coupe	660	345	3,097	1,824
911 Turbo	184	158	627	837
928S	209	214	898	1,068
RENAULT	1,477	247	3,778	1,782
18i	0	145	0	831
Fuego	0	102	0	951
Medallion	1,477	0	3,778	0
SAAB	3,997	4,275	17,808	18,966
900	831	1,398	3,737	5,747
9000	1,321	1,353	5,670	5,604
900 Turbo	770	727	3,428	3,181
9000S	325	0	1,274	0
9000 Turbo	578	825	3,423	4,147
Tourist	72	76	277	281
STERLING	1,022	0	5,221	0
SUBARU	16,128	14,265	63,171	78,057
Hatchback	495	1,396	3,030	7,389
2-Door	1,397	973	5,279	3,799
4-Door Sedan	4,159	4,179	15,747	24,356
XT	2,022	2,117	9,157	10,776
Station Wagon	7,263	5,600	27,269	31,737
Justy	790	0	3,669	0
TOYOTA	50,677	62,489	195,224	230,607
Corolla	9,099	15,099	36,790	52,512
Tercel	8,437	5,716	31,871	29,079
Celica	7,972	11,616	29,517	44,399
Supra	2,911	4,121	11,708	9,767
Camry	16,447	14,804	59,440	54,004
Cressida	1,935	4,448	6,881	14,142
Land Cruiser	306	329	1,596	1,508
Van	1,274	1,639	5,974	7,451
4Runner SR 5	133	508	1,557	2,876
MR2	1,896	3,379	7,254	12,304
Tercel	267	844	1,638	2,574
VOLKSWAGEN	15,298	16,397	50,042	64,434
Cabriolet	1,882	1,812	6,520	6,739
Jetta	7,031	10,578	21,832	43,906
Vanagon	1,116	1,451	4,236	5,286
Quantum	837	1,126	2,803	4,495
Scirocco	799	1,391	3,116	4,589
Fox	3,141	0	9,533	0
VOLVO	10,902	10,546	52,881	51,825
240 Series	5,185	5,010	25,854	25,139
740 Series	3,960	4,227	20,418	20,714
760 Series	1,004	909	5,427	4,586
780 Series	6	0	7	0
Tourist	227	360	675	1,375
YUGO	4,111	1,500	12,272	9,623
IMPORT TOTAL	260,164	286,672	1,062,668	1,045,[illegible]

Some makes happy with May results

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

New car sales in May slumped almost 18 percent from the year-earlier total, but the news wasn't all bad. Some makers had favorable comments on their performance during the month.

For example, Yugo America Inc. used reports of rising sales and its 60,000th retail delivery last week to do a bit of horn blowing.

"The figures reinforce the fundamental premise of the Yugo. That is that Americans need and appreciate the great value in the economical, reliable transportation the Yugo offers," said Yugo America President William Prior.

Jaguar sales of 2,304 cars in May set a record for the month. The previous peak was 2,191 in 1986.

Graham W. Whitehead, president of Jaguar Cars Inc., said his company has had a smooth sell-out of the XJ-6 Series III in the United States. He said virtually all of the remaining Series III cars will be sold in the next month.

Dealers report that orders for the new 1988 XJ-6 sedan are strong, and Whitehead said he expects that, after a slow period, sales will accelerate in the final quarter of this year as supply improves.

Hyundai Motor America said May sales were in line with its plans to sell 250,000 cars in this country this calendar year.

"Our strong performance, which quickly propelled us to the fourth position among importers, demonstrates the Hyundai Excel's continuing appeal even with the increased competition in the U.S. market," the company said.

Supply also figured in sales comments from Range Rover of North America, which entered the U.S. market with its four-wheel-drive Range Rover March 16.

"We created a market niche — luxury sport-utility — with the Range Rover," said President Charles R. Hughes. "But the demand reported by our dealers makes me think we may have one of the most successful launches ever of a European luxury vehicle.

"We have targeted an average monthly selling rate of 250 Range Rovers, which we will hit during June. Meeting our full-year target of approximately 3,000 units depends primarily on getting them from the factory, which is enjoying a 50 percent sales increase in Europe," he said.

William E. Enockson, American Motors group vice president, North American sales and marketing, said incentives are paying off.

"Consumers are saying yes to our return to zero percent, two-year financing on selected Renault and Jeep models," he said. "Buyers have the choice of the financing programs or rebates ranging from $300 to $700. In addition, the 1988 Renault Medallion is available with a $100 rebate, or 3.9 percent, two-year financing."

Audi of America opens new Western area office

PLEASANTON, Calif. — Audi of America has opened its new Western region office in this city 40 miles east of San Francisco.

The office employs 28 and handles the wholesale sales and service operations for 58 Audi dealers in Alaska, Idaho, Montana, Oregon, Washington, northern California and western Nevada.

AUCTION DATES

American Motors

June 16 — D-A Auto Auction, New Stanton, Pa.

June 17 — Minneapolis Auto Auction, Plymouth, Minn.

June 18 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

June 19 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

June 16 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

June 17 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

June 18 — Fredericksburg Auto Auction, Fredericksburg, Va.

June 19 — St. Louis Auto Auction, Bridgeton, Mo.

June 23 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Ford Motor Co.

June 17 — Lakeland Auto Auction, Lakeland, Fla., and Southern California Auto Auction, Fontana, Calif.

June 18 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Minneapolis Auto Auction, Plymouth, Minn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

June 23 — South Seattle Auto Auction, Kent, Wash.

June 24 — Columbus Fair Auto Auction, Obetz, Ohio, and Clanton's Auto Auction, Darlington, S.C.

General Motors

June 16 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

June 17 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; and Baltimore-Washington Exchange, Baltimore

Used Car Sales
Auction Averages

June to date	$5,929
Month ago	$5,868
Year ago	$5,172

Model Breakdown
Auction Averages

	JUN 1987	MAY 1987	APR 1987
1987	$11,295	$11,046	$13,266
1986	$9,232	$9,287	$9,460
1985	$7,235	$7,194	$7,236
1984	$5,751	$5,718	$5,732
1983	$4,885	$4,873	$4,842
1982	$3,709	$3,705	$3,727
1981	$2,707	$2,705	$2,635
1980	$2,145	$2,141	$2,170
Overall Average	$5,929	$5,871	$5,832

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Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

Keller: import sales may dip 10%

By Susan Luce
SPECIAL CORRESPONDENT

DETROIT — For the first time in many years, foreign automakers will experience decreased U.S. sales — perhaps as much as 10 percent in 1987 — as the auto business begins its cyclical decline.

Auto analyst Maryann Keller said that despite record 1986 sales, consumers are tapped out and today's car market is in the mature stage of its cycle. With demand decreasing and more nameplates entering the U.S. market, both foreign and domestic manufacturers will have to fight to maintain market share.

Keller, a vice president with Furman Selz Mager Dietz & Birney, told the Women's Economic Club here last week that 1988 will likely parrot 1987.

So what will happen by 1990, Keller asked, with more than 40 firms selling some 200 nameplates? Because "consumer brand loyalty has basically evaporated," she said, niche marketing will become a way of life, and competition will be based on specialization.

Automakers will have difficulty maintaining a market share. But the next few years will be an "era of disappointment" after which the strongest will emerge in the mid-1990s, she said.

During this period, Japan will be vulnerable, especially because cars are its prime source of profitability, Keller said. But the Japanese

Keller: Niche marketing will become a way of life, and competition will be based on specialization.

automakers can't be dismissed as competitors — even with the fluctuations in exchange rate.

The stronger manufacturers, likely to be Toyota Motor Co. and Honda Motor Co., will be selling cars into the mid-segment of the American car market. Pushing medium-sized cars priced like full-sized American cars might be difficult, she noted, but success such as that Honda has had with the Acura Legend could spur the manufacturers to try.

Japanese manufacturers will be increasing U.S. parts procurement, Keller said. And she sees possible Japanese investment in Eastern Europe, with cars being built in countries such as Romania or Czechoslovakia, and exported to the United States in the next five years or so.

Domestic auto manufacturers are developing strategies for the future market, she said. Ford Motor Co., for example, will probably not make much new investment in the United States. Keller called this global strategy Ford's attempt to balance its domestic skills with its capital requirements.

Chrysler Motors's future hinges on its ability to consolidate and improve the efficiency of American Motors operation when its acquired. Greater exposure in the truck market will help Chrysler, she said, especially as trucks likely become the best performers in the future.

General Motors has had a different philosophy toward the future, she said. GM has not cut costs to the extent Ford and Chrysler have. The jury's still out on GM's major acquisitions and reorganization, she said. But the cost cuts the manufacturer is now making lead Wall Street analysts to believe that GM is developing a more vigorous spirit.

Keller said that she, more than some analysts, tends to look at sales. While GM's performance is still not up to par, she believes that Corsica and Beretta mark a change in both design and philosophy.

"I can only hope that this is just the start and that in the end, by 1990, all the divisions have created for themselves the distinctiveness that they're going to need," Keller said.

To succeed in the 1990s, she said, an auto manufacturer will have to offer quality, but cost, performance, image and the value a car presents will be vital.

Hertz says U.C. sales jumped 3% in '86

NEW YORK — Over a half-million more used cars were sold during 1986 than in the previous year, according to a yearly study prepared by Hertz Corp.

The nation's consumers bought an estimated 16,524,000 used cars last year compared with 15,931,000 in 1985.

The study said the average used car sold in 1986 was 4.5 years old, had 41,140 miles and cost $5,833. In 1985, the average age was 4.6 years, the car had 45,270 miles, and the cost was $5,431.

By contrast, a typical unit in 1979 was just 2.8 years old, had 29,090 miles and cost $3,602.

Overall used-car revenues jumped 11.4 percent to $96.4 billion from $86.5 billion the prior year, the Hertz study shows.

Typical ownership and operating costs for used autos bought last year rose 1.8 percent to 25.52 cents a mile compared with 25.07 cents in 1985. The amount is for a five-year-old compact that is expected to be driven another five years at 10,000 miles annually.

By contrast, a typical new 1986 compact cost 48.48 cents to own and run the same mileage, up from 47.64 cents in 1985, as the company reported in a study earlier this year.

The average 1986 new-car purchase price was $11,010, 89 percent above the typical $5,833 used-car outlay last year.

Combined new- and used-car sales in 1986 came to 27,660,000 units, up 3.1 percent from 26,820,000 in 1985 and 4.3 percent below the 1978 unit record of 28,900,000, the Hertz study said.

Owing to higher purchase prices, however, combined new- and used- car buying in 1986 aggregated a record $219 billion (averaging $7,918 per vehicle), 11 percent ahead of the prior top of $197.2 billion ($7,353 a unit) in 1985.

The used-car unit record was 1980 when 18.664 million were sold for $70.3 billion ($3,794 per vehicle). The new-car unit high came in 1973 when 11.376 million were bought — for $41 billion ($3,596 per unit).

The 1986 poll shows direct purchases account for 44 percent of all used cars sold — 23 percent from relatives, neighbors, friends or business associates and 21 percent from strangers. New-car dealers' used-car lots account for 45 percent of sales and independent used-car-only outlets, 11 percent.

Hertz poll respondents said that used cars bought from new-car dealers in 1986 were younger than average (2.7 years old), had lower mileage (31,694) but cost more ($7,696). Those bought from used-car dealers averaged 5.7 years of age, had 51,060 miles and cost $4,579.

Direct buys from strangers averaged 5.8 years old, had run 50,302 miles and cost $4,137, while purchases from acquaintances were 7 years old, had run 51,900 and cost $3,732.

Typical 1986 purchase prices for used compacts versus new cars ranged from 21 percent less expensive for a one-year-old car to 95 percent less expensive for a nine-year-old car. Savings on owning and operating used compacts ranged from 18 percent to 58 percent.

Despite the increase in expenses as mileage grows, the average used car's ownership and operating expenses usually drop in its later years. Lower depreciation, interest, insurance, taxes and fees, as well as the lower purchase price, more than offset maintenance, Hertz said.

"Last year, typical used car buyers saved some 68 percent on purchase prices under new car sticker charges on comparably sized units. Ownership and operating expenses in comparable driving averaged 47 percent lower," the 1986 analysis said.

The average 1986 family income of used-car buyers was $35,200 — 30 percent lower than the $49,791 reported by new-car families. Used-car-buying families owned 2.2 cars each, while new-car families had 2.1, the study said.

The latest Hertz nationwide poll also showed the following:

- Since 1979, the average used-car age at purchase time rose 57 percent, or 1.69 years.
- Since 1979, mileage at purchase rose 41 percent, or 12,050 miles; average purchase price rose 61 percent, or $2,231; and operating costs climbed 47 percent — to a typical 25.52 cents a mile from 17.4 cents a mile for cars driven more than five years at 10,000 miles a year.
- Purchase prices of a typical new compact soared 106 percent to $10,439 in 1986 from $5,079 in 1979. Ownership and operating costs rose 70 percent in 1986 — to 48.48 cents a mile from 28.55 cents a mile in 1979.
- Cars that are traded first change hands at 4.5 years of age after 41,140 miles, then are run another 5.4 years until they have been driven 106,603 miles.
- Some 20 percent of used-car buyers had never bought a new car before, and 10 percent said they had never previously bought a used car, the Hertz poll said.
- Buyers of used cars are about the same age as new-car buyers (44.1 years versus 45 years). Some 71 percent of used-car buyers are men, 29 percent women. In 1979, that figure was 84 percent men, 16 percent women.
- Fewer than half (46 percent) of used-car buyers financed their cars in 1986, down from 60 percent in 1979. That compares with 75 percent of new-car buyers who take out loans.

GLUT

FROM PAGE 1

new-car manager at Coast Cadillac, Long Beach, Calif.: "We don't have a stockpile. We are where we try to be at this time of the year."

Roger Gill, new-car sales manager at Van Drunen Ford, Homewood, Ill., just south of Chicago, spends a good deal of his time these days trying to locate cars that are in short supply. "Mustangs have been hard to get for a couple of months," he said. "Everybody wants them. Crown Victoria is moving very well and we're starting to get short of them. The truck line is short, especially those with automatic transmissions. On the other hand, everyone has plenty of Tauruses and enough Tempos to last through buildout."

A dealer who handles Volkswagen and Mazda said, "On balance and in general, I'm not really in any inventory trouble. With Mazda, we're continually trying to get more cars and with Volkswagen things are a litle softer."

"There could be some dealers who are over-inventoried but we are not. In fact, we're running out of some automobiles — Horizon and the LeBaron coupe, for example" said Max Kester at Chicago's Beverly Chrysler-Plymouth.

The June 1 domestic car inventories were split this way: GM, 55.24 percent; Ford Motor Co., 26.62 percent; Chrysler Motors, 13.84 percent; Nissan, 1.50 percent; Volkswagen, 1.00 percent; American Motors, 0.97 percent; Honda 0.44 percent and Toyota 0.39.

Shares by size class June 1 were: Intermediate, 40.50 percent; compact, 18.87 percent; subcompact, 17.85 percent; standard, 12.47 percent, and luxury, 10.31 percent.

The 77-day supply of U.S.-built cars consisted of an 87-day supply of intermediates, an 81-day supply of both standard and luxury models and a 58-day supply of subcompacts.

The inventory of imported cars by country of origin stood this way on June 1: Japan, 65.64 percent; Germany, 20.31 percent, and other 14.05 percent.

IMPORT DAYS' SUPPLIES

	June 1 '87	May 1 '87	June 1 '86
Spectrum	31	131	125
Sprint	162	139	61
Chevrolet	181	134	86
Chrysler Corp.	104	93	101
Acura	37	41	35
Honda	11	12	9
Isuzu	75	104	231
Mazda	72	83	77
Mitsubishi	54	48	42
Nissan	107	90	45
Subaru	94	115	33
Toyota	19	27	11
JAPAN	56	61	31
Audi	89	116	66
BMW	87	84	57
Mercedes-Benz	37	36	31
Merkur	120	144	62
Porsche	79	71	61
VW	72	84	42
GERMANY	68	75	52
Alfa Romeo	99	124	5
Fiat	82	156	7
Hyundai	26	22	1
Jaguar	21	31	2
Peugeot	87	80	75
Renault	270	283	240
Saab	75	61	51
Sterling	74	45	1
Volvo	80	95	67
Yugo	45	38	55
Other Countries	58	48	37
Total Import Cars	58	61	31
Kia	66	74	168
Mazda	64	72	28
Mitsubishi	41	58	66
Nissan*	104	79	85
Toyota*	37	35	14
Suzuki	16	14	14
Yugo	45	38	55
Chrysler	113	97	64
Total Imp. Trucks	41	47	34
Total Imp. Cars & Trucks	58	61	31

*Includes Toyota trucks

DOMESTIC DAYS' SUPPLIES

	June 1 '87	May 1 '87	June 1 '86
Alliance	162	171	137
Escort	0	0	203
Total Renault	162	171	167
Eagle	145	131	148
Total AMC	145	131	140
AMERICAN MTRS.	160	166	167
Horizon	45	55	30
Omni/Omni	60	66	0
Turismo	163	95	96
Reliant	57	52	53
Caravelle	105	80	64
Plymouth	45	83	44
Total Plymouth	65	78	50
Laser	42	83	144
LeBaron K	80	96	76
LeBaron J	143	155	0
LeBaron GTS	124	93	122
Fifth Avenue	124	93	76
New Yorker	96	96	96
Total Chrysler	111	97	92
Omni	45	51	31
Shadow	55	139	0
Charger	139	42	94
Daytona	92	104	93
Aries	82	54	76
Lancer	138	127	152
Diplomat	69	66	57
Dodge 400	103	90	72
Total Dodge	75	75	71
CHRYSLER MTRS.	82	79	70
Escort	79	69	46
Mustang	40	48	45
Tempo	75	73	66
Taurus	75	69	41
Thunderbird	69	71	80
LTD	0	0	57
Crown Victoria	44	49	58
Total Ford Div.	68	66	54
Lynx	97	105	64
Lynx	86	74	56
Sable	115	99	46
Cougar	91	87	32
Capri	0	0	66
Marquis	0	0	56
Grand Marquis	59	53	56
Total Mercury	86	83	56
Continental	79	68	67
Lincoln	61	50	58
Mark VII	50	53	72
Total Lincoln	60	52	64
Total Ford Cars	77	75	57
FORD MOTOR CO	71	68	56
Skyhawk	137	143	132
Skylark	0	0	0
Somerset Regal	148	102	57
Century	132	85	78
Regal	98	74	98
LeSabre	110	75	61
Electra	142	105	79
Riviera	82	64	153
Total Buick	127	98	76
Cimarron	114	113	80
Allante	76	67	0
Seville	84	73	65
Cadillac	90	69	55
Eldorado	85	76	90
Total Cadillac	89	69	82
Etoile	56	46	73
Nova	85	77	84
Camaro	103	64	53
Fiero	0	0	68
Camaro	58	54	66
Celebrity	60	44	57
Corsica/Beretta	74	113	0
Monte Carlo	128	133	76
Chevrolet	86	91	73
Corvette	85	91	61
Total Chevrolet	77	71	68
Firenza	143	153	84
Cavalier	78	62	55
Oldsmobile Omni	83	85	50
Oldsmobile Starfire	166	73	50
Olds 88	83	77	69
Olds 98	103	106	48
Firebird	90	85	91
Total Oldsmobile	87	74	57
Pontiac	78	78	94
6000	61	55	109
Sunbird	100	81	48
Firebird	46	38	48
Grand Am	50	49	14
6000	104	91	76
Grand Prix	121	101	92
Grand Prix	0	0	106
Pontiac 1000	102	93	80
Total Pontiac	79	72	67
GENERAL MTRS.	87	78	83
VOLKSWAGEN	91	114	76
HONDA	9	9	16
NISSAN	48	40	17
TOYOTA	37	35	14
IMPORTS TOTAL	77	72	62

GM eyes $100 million debt swap

By Marci Baker
CRAIN NEWS SERVICE

General Motors is considering a $100 million swap of Latin American debt for equity to further capitalize its Mexican operations.

If it carries out the swap, GM would join a growing list of U.S. companies that are taking advantage of the secondary trading market for Latin American debt to build up operations there.

"We've been looking seriously at (LDC debt conversions) for some time," said a GM spokesman, who declined to comment on anything more specific.

Sources said, however, the company is working with Manufacturers Hanover Trust Co. on a $100 million debt-for-equity swap of Mexican loans.

Corporate officials and investment bankers say the transactions often offer the cheapest, most attractive mechanism to finance activities in developing nations.

Ford, Chrysler and Nissan have used the same technique to increase their equity investments in Third World countries.

The debt-for-equity swap opportunity presented to Chrysler last year "was instrumental in our decision to increase our production and export capabilities out of Mexico," said W. Frank Fountain, assistant treasurer.

Chrysler launched a $100 million swap of Mexican debt last fall, buying the debt at less than 60 cents on the dollar from a group of European and U.S. banks.

Chrysler since has completed another $10 million swap deal.

CAPACITY

FROM PAGE 1

maining 25 percent of the market is expected to be composed of Japanese imports.

Those were among the forecasts recently presented at the first International Policy Forum, held at Niagara-on-the-Lake, Ontario. The closed-door session was attended by senior industry executives, government officials and union leaders. Approximately three forums will be held during the four-year-study period.

It was sponsored by the International Motor Vehicle Program, which is the second major study of the future of the automobile under the auspices of MIT. The current venture, which began last year, will involve 15 nations — including a number of Third World countries. The four-year project will cost about $5 million.

James Womack, the program's research director, said a major implication of the study for the U.S. industry is that automobile production capacity of the U.S.-based makers "should be reduced by 2 to 3 million units." He said that is based on conservative assumptions that import and transplant sales will be fixed at an annual level of 5.5 to 6 million cars in a market of about 12 million.

Based on the study's predictions, he said, North American-based automakers will be operating at a capacity utilization rate of 63 percent in 1990. In 1986, capacity utilization was 75 percent.

The results of the study on U.S. plant overcapacity were presented by John O'Donnell, of the Department of Transportation's Transportation Systems Center in Cambridge, Mass. He is a research affiliate at MIT with the International Motor Vehicle Program.

In an interview, O'Donnell said he and his research assistant, Laurie Hussey, assumed a U.S. auto market of 12 million units in 1990 — a figure he insists is conservative even though other analysts think it is too high.

He made these other points:

- Sales by transplants and Korean and other imports will capture almost two-thirds of the U.S. small-car market by 1990. "The Japanese and transplant share of the mid-size and sports-car markets will increase by almost 50 percent (over 1986)," he said. "The Japanese are expected to make significant gains in the luxury-car market."
- In terms of manufacturing facilities, "the permanent elimination of 2 to 3 million units of assembly and parts production capacity is equivalent to 7 to 10 final assembly plants; 2 to 3 stamping plants; 3 to 4 engine plants; 2 transmission plants; 20 materials plants, and scores of plants making minor parts."
- A permanent reduction of 2 to 3 million units of capacity "would also result in the elimination of 100,000 to 150,000 hourly and salary jobs with the U.S. automakers."

Womack outlined and commented on some of the other industry analyses presented at the three-day session in Ontario. Among them:

- The U.S. industry, especially General Motors, has been spending a "tremendous amount" of money on research and development — contrary to what some critics have said. But the Japanese, who have also spent large amounts on R&D, "seem to be getting more for their money. We have seen a tremendous amount of patenting" by the Japanese, in the United States as well as in their homeland.
- The U.S. carmakers seem to be "standing still" on patenting, compared with the Japanese. "We see this is as an ominous trend for the U.S. industry."
- Much of the same kind of cost-benefit picture applies to big U.S. expenditures on automation. "There isn't much evidence that we are getting a lot to show for it," he said.

For all the negative aspects of the U.S. picture, "not all is doom and gloom," Womack said. "That is out of date. I'm bullish in the long run." The reason is that the "best of the U.S. car plants are world-class — in terms of productivity and quality." He declined to identify them.

But as for the worst U.S. plants, "there are a lot!" Womack said. And between the best and the worst, "there is an enormous gap." Considering what the productivity-quality picture was only five years ago, he said, the improvements in the best U.S. plants are "amazing," while the worst are simply not competitive.

International Motor Vehicle Project teams will step up intensive inspections of European plants this summer, Womack said, "but we already know that at least a few of the big producers in Europe are really no better than the worst of the Americans."

As for the transplant car makers here, "the popular media says that they're all alike," Womack said. "Our information indicates that there are really big differences between the best and the worst. Some are terrific; some just average. The best are almost as good as the best in Japan."

Womack said there are also widespread popular misconceptions here about the automakers in Japan: "There is a big difference between the best and the worst of them. . . . We've been looking at how much effort it takes to get the job done, and what is the quality of the effort . . . Toyota is clearly the best in the business there. Some of the others are not in the same league."

He said that in the United States, it takes about five years to bring a new product to the market; in Japan, it is 3½ years.

"The new players in the world export market — among them Mexico, Korea and Taiwan — seem to be right up there now," Womack said. "Some of the stuff from these Third World countries is dynamite. . . . Our assumption had been that they could compete on cheap wages, but that they couldn't do it on quality. They are building super quality, with low effort. . . . We're seeing evidence that these new entrants can build a world-class car."

Investing enormous amounts in high technology, including automation, is no guarantee of commensurate improvements in quality, Womack said. "We have found high-tech plants, especially in the U.S., with poor results.

The important thing, he said, is the difference in social systems. "It is so striking. It isn't just space. It's a matter of philosophy. In some Japanese plants, you can hardly move around.

"It's a matter of organization. They really know how to make the teams work. Americans for the most part are running 'dedicated' factories — dedicated to one product. How long does it take to convert to a new product?"

Stated another way, it's a matter of philosophy. "You really have to have a manufacturing philosophy and a system of organizing people which makes sense in terms of the new technology that you are trying to use," Womack said.

"We see here a lot of examples of new technology just being dropped into an old manufacturing philosophy and an old system of organizing people. Not surprisingly, that doesn't work very well. So, it is possible to spend a lot on new tools and get little to show on improved quality."

Womack said that the "big push" in the newest MIT study is on "the emerging best practices to operate in the U.S. We have been going around the world looking at people's R&D practices." About 30 plants around the world have already been inspected, and 15 to 20 more inspections are scheduled.

Also being analyzed are supplier systems and distribution. "In the U.S., distribution is not much different today than it was 50 years ago," Womack said. "We suspect there will be some spectacular movements in this area. Among them may be dealers trying to go public and chain dealer outfits."

The earlier MIT-sponsored study, "The Future of the Automobile," concentrated on cars in the United States, Japan and five European countries. It involved the efforts of some 130 researchers, cost about $8 million and was completed in the summer of 1984.

A co-director of that project, MIT Professor Daniel Roos, is the director of the new one. The current program is under the aegis of MIT's Center for Technology, Policy and Industrial Development.

PRODUCTION

Auto production slips

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

With several assembly plants idle, last week's targeted domestic auto production fell below the week-earlier and year-earlier totals.

Automakers scheduled 154,207 cars last week, 1.49 percent below the previous week's 156,545, which was also affected by plant closings.

Last week's output was 7.43 percent below the year-ago week's 166,588.

So far this year, 3,572,010 cars have been assembled, 8.48 percent below the 3,903,104 completed last year at this point.

Companies split last week's estimated production as follows: General Motors, 48.76 percent; Ford Motor Co., 25.95 percent; Chrysler Motors, 15.37; Honda of America Manufacturing Inc., 4.28 percent; New United Motor Manufacturing Inc., 2.43 percent; Nissan Motor Manufacturing Co., U.S.A., 1.91 percent; and Volkswagen of America, 1.30 percent.

American Motors ended production of its 1987 Alliance models June 5. Output of the Alliance is not expected to resume until preparation for the Chrysler L-body (Omni/Horizon) is completed at AMC's Kenosha, Wis., plant.

GM's Willow Run, Mich., plant is down this week for inventory adjustment, idling 4,800 workers. The plant is expected to resume production June 22.

GM's Tarrytown, N.Y., and Norwood, Ohio, plants resumed output today (June 15). Both were closed for one week to adjust inventory.

Chrysler's Belvidere, Ill., plant remains down for model changeover until mid-July.

Saturday (June 13) overtime was slated for GM's Lansing (No. 1), Mich., plant.

All Ford assembly plants except Edison, N.J., are scheduled for daily overtime this week.

Chrysler's St. Louis (No. 2), and Sterling Heights, Mich., plants are slated for daily overtime this week.

Week's truck build holds steady

Scheduled domestic truck production totaled 77,478 units last week, slightly below (0.71 percent) the previous week's 78,035 but 3.34 percent more than the year-ago week's 74,973.

Year-to-date, 1,740,582 trucks have been built, 2.30 percent more than the 1,701,428 assembled last year at this time.

Ford Motor Co. closed its Michigan Truck facility in Wayne, Mich., today for four weeks. The plant will be down the first two weeks for model changeover and the second two weeks for vacation.

The plant is expected to resume output July 13.

General Motors' Lordstown, Ohio, plant was scheduled for Saturday (June 13) overtime.

All Ford plants except Wayne, Mich., are slated for daily overtime this week (June 15).

Cars, trucks on a par in Canada

Canadian automakers scheduled production of 18,135 cars last week, 1.19 percent more than the previous week's 17,921 but 29.17 percent below the year-ago week's 25,603.

So far this year, 381,885 cars have been assembled, 29.45 percent below the 541,282 completed last year at this point.

Last week's truck output was targeted at 18,337, 4.74 percent more than the prior week's 17,507 but 5.98 percent below the year-ago week's 19,504.

Year-to-date, 379,137 trucks have been built, 13.58 percent below the 438,691 assembled last year at this time.

CANADIAN CAR	Week Ended June 13, 1987	Week Ended June 14, 1986	Week Ended June 6, 1987	June to Date	Jan. 1 to June 14, 1986	Jan. 1 to June 13, 1987
AMERICAN MOTORS	100	0	0	100	2,405	2,756
FORD MOTOR	11,025	10,875	11,409	22,434	261,937	246,972
GENERAL MOTORS	6,385	14,603	5,995	12,380	271,839	124,499
HONDA	400	0	292	692	0	2,807
VOLVO	225	225	225	450	5,101	4,860
Total Cars, Canada	18,135	25,603	17,921	36,056	541,282	381,885

U.S. TRUCK☆	Week Ended June 13, 1987	Week Ended June 14, 1986	Week Ended June 6, 1987	June to Date	Jan. 1 to June 14, 1986	Jan. 1 to June 13, 1987
CHEVROLET	20,413	22,402	20,454	40,867	577,115	511,094
DODGE	7,000	3,741	6,867	14,467	24,900	122,692
FORD	31,225	31,047	31,844	63,699	694,554	702,628
GMC	7,560	6,461	7,903	15,403	170,236	174,336
NAVISTAR	1,570	1,828	1,864	3,334	39,535	35,154
JEEP	4,500	3,489	4,777	9,277	88,443	100,286
NISSAN	1,790	3,855	1,776	3,566	56,653	38,692
AM GENERAL*	450	50	450	900	1,172	5,100
MISCELLANEOUS*	2,300	2,300	2,300	4,600	52,800	50,600
Total Trucks, U.S.	77,478	74,973	78,035	155,513	1,701,428	1,740,582

CANADIAN TRUCK	Week Ended June 13, 1987	Week Ended June 14, 1986	Week Ended June 6, 1987	June to Date	Jan. 1 to June 14, 1986	Jan. 1 to June 13, 1987
AMERICAN MOTORS	775	898	764	1,539	11,454	15,203
CHRYSLER	8,294	8,672	8,503	16,797	201,634	191,141
FORD	3,648	3,820	3,084	6,732	62,841	72,736
GENERAL MOTORS	5,365	5,911	4,931	10,326	138,070	98,586
NAVISTAR	225	203	225	450	4,602	4,475
Total Trks., Canada	18,337	19,504	17,507	35,844	438,691	379,137
U. Am. Trucks	95,815	94,477	95,542	191,357	2,140,119	2,119,719

U.S. CAR	Week Ended June 13, 1987	Week Ended June 14, 1986	Week Ended June 6, 1987	June to Date	Jan. 1 to June 14, 1986	Jan. 1 to June 13, 1987
AMERICAN MOTORS	0	2,335	673	673	25,992	15,539
Renault Total	0	2,335	673	673	25,992	15,539
Alliance	0	2,110	673	673	22,876	15,539
Encore	0	225	0	0	3,116	0
CHRYSLER MOTORS	23,700	25,497	24,571	48,271	655,470	541,866
Plymouth Total	5,800	9,780	5,996	11,796	193,873	167,107
Horizon	0	3,795	0	0	76,013	32,997
Sundance	2,000	267	1,983	3,983	100	49,301
Reliant	2,600	4,289	2,703	5,303	84,050	56,507
Caravelle	1,100	919	1,096	2,196	25,344	26,226
Gran Fury	100	510	214	314	8,366	2,076
Chrysler Total	9,600	8,828	9,642	19,242	216,523	176,245
Laser	0	825	0	0	23,837	0
LeBaron K	1,700	2,564	1,945	3,645	55,537	40,115
LeBaron J	4,100	0	3,325	7,425	0	55,823
LeBaron GTS	1,900	1,811	1,069	2,069	30,817	29,408
N. Yorker/E-Class	1,800	1,336	1,627	3,227	42,634	40,976
Fifth Avenue	1,200	2,292	1,676	2,876	63,698	19,621
Dodge Total	8,300	10,899	8,933	17,233	245,074	198,514
Daytona	1,900	1,174	1,676	3,576	25,261	27,261
Omni	0	2,425	0	0	72,828	26,363
Shadow	2,500	270	2,334	4,834	200	49,770
Aries	2,100	3,537	2,791	4,891	62,841	53,585
Dodge 600	1,000	1,041	1,037	2,037	40,210	23,264
Lancer	500	1,079	644	1,144	28,844	12,851
Diplomat	300	783	451	751	16,890	3,400
FORD MOTOR	40,018	38,989	40,666	80,684	864,703	921,130
Ford Division	28,966	28,503	29,515	58,481	690,645	647,265
Escort	6,820	7,989	9,051	17,871	187,945	174,995
Mustang	4,604	3,572	4,527	9,131	93,437	101,436
Tempo	3,925	4,151	3,794	7,719	97,447	90,834
Taurus	7,893	7,839	8,008	15,901	132,953	202,689
Thunderbird	3,724	2,952	4,135	7,859	78,863	77,511
L-M Division	11,052	12,486	11,151	22,203	274,058	273,865
Mercury Total	6,952	8,315	7,031	14,003	187,476	187,415
Lynx	228	1,443	221	449	31,278	19,567
Capri	0	591	0	0	7,720	0
Topaz	1,593	1,279	1,463	3,056	29,051	29,772
Cougar	2,501	3,198	2,739	5,240	59,486	73,808
Sable	2,630	2,304	2,628	5,258	59,931	64,270
Lincoln Total	4,100	3,681	4,100	8,200	86,582	86,450
Continental	410	408	411	821	3,772	8,652
Lincoln	3,074	2,763	3,074	6,148	64,945	64,837
Mark VII	616	510	615	1,231	11,865	12,961
GENERAL MOTORS	75,199	88,896	74,757	149,956	2,120,930	1,753,672
Buick Total	10,374	16,226	11,392	21,766	367,475	275,027
Skylark	318	1,714	285	603	41,852	14,848
Century	1,585	5,078	3,928	5,513	118,724	85,653
Regal	952	2,230	1,028	1,980	29,916	21,487
Somerset/Skylark	1,140	2,844	1,173	2,313	50,625	34,269
LeSabre (fwd)	3,940	3,972	4,711	8,651	69,043	59,737
LeSabre (rwd)	98	346	48	146	6,853	5,050
Electra (fwd)	2,400	1,559	0	2,400	49,762	46,264
Riviera	241	856	219	460	11,690	7,719
Cadillac Total	5,365	8,278	5,444	10,809	159,691	140,913
Cimarron	190	534	180	370	13,064	7,027
Allante	120	0	144	264	0	1,771
Brougham (rwd)	1,060	2,426	1,156	2,236	44,425	36,059
DeVille (fwd)	2,884	4,014	2,939	5,823	80,941	75,830
Eldorado	573	600	532	1,105	11,350	9,023
Seville	518	904	493	1,011	9,911	11,303
Chevrolet Total	28,380	23,452	27,367	55,747	667,411	665,417
Chevette	0	2,229	0	0	52,958	0
Camaro	2,870	1,835	3,017	5,887	97,816	50,897
Cavalier	8,200	8,467	7,925	16,125	202,155	172,476
Celebrity	5,579	4,966	5,987	11,557	138,374	169,662
Corsica/Beretta	7,000	0	6732	13,732	0	129,302
Monte Carlo	1,300	2,174	1,255	3,055	54,532	35,215
Chevrolet	2,000	3,623	1,906	4,106	108,377	93,857
Corvette	640	638	545	1,285	13,199	14,008
Oldsmobile Total	17,343	21,772	14,090	31,433	526,413	337,931
Firenza	630	355	466	1,096	21,653	4,996
Calais	3,662	2,031	3,701	7,361	60,834	69,773
Cutlass Ciera	5,084	8,153	4,734	9,818	129,595	88,295
Cutlass Supreme	1,850	1,780	1,574	3,424	78,558	33,860
88 (fwd)	4,095	6,517	1,870	5,965	163,715	91,761
88 (rwd)	510	908	504	1,014	10,614	9,088
Olds 98	956	1,836	755	1,691	55,244	33,804
Toronado	518	692	476	994	8,398	8,656
Pontiac Total	13,737	13,797	16,494	30,231	397,940	339,484
Acadian*	0	499	0	0	8,963	0
Parisienne	1,200	1,379	1,005	2,205	38,936	18,243
1000	0	870	0	0	15,757	0
Firebird	754	1,186	1,854	2,608	54,329	36,798
2000 Sunbird	2,287	2,779	2,295	4,582	68,309	54,263
Grand Am	6,220	3,910	6,227	12,447	105,443	121,516
6000	0	2,704	2,069	2,069	72,704	38,135
Bonneville	3,125	0	2973	6,098	0	65,449
Safari/Parisienne	151	776	81	232	35,499	5,080
HONDA	6,600	4,445	6,875	13,475	88,319	151,105
Civic	2,910	0	3190	6,100	0	50,535
Accord	3,690	4,445	3,685	7,375	88,319	100,570
NISSAN	2,940	0	2,986	5,926	21,517	64,819
NUMMI	3,750	3,600	4,024	7,774	83,908	88,399
Corolla	750	0	890	1,640	0	18,182
Nova	3,000	3,600	3,134	6,134	83,908	70,217
VOLKSWAGEN	2,000	2,014	1,993	3,993	42,265	35,480
Golf/GTI	1,750	2,014	1,743	3,493	0	29,829
Jetta	250	0	250	500	42,265	5,651
Total Cars, U.S.	154,207	166,588	156,545	310,752	3,903,104	3,572,010
Total Cars, Canada	18,135	25,603	17,921	36,056	541,282	381,885
U. American Cars	172,342	192,191	174,466	346,808	4,444,386	3,953,895
U. Am. Trucks	95,815	94,477	95,542	191,357	2,140,119	2,119,719
North American Cars and Trucks	268,157	286,668	270,008	538,165	6,584,505	6,073,614

Ford leads GM in use of passive belts

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Ninety-nine percent of drivers of Ford Escort and Mercury Lynx models with passive belts report they are belted at all times.

But the General Motors-designed automatic belt, which is as easy to disconnect as a manual belt, is being used less, and almost half the drivers say they do not even know the belts are automatic.

Those are among the findings of an Insurance Institute for Highway Safety survey of more than 1,000 drivers of two very different passive-belt designs used in 1987 cars.

Ford's is a two-point, non-detachable motorized shoulder belt with manual lap belt and knee bolster. Ford uses them on some Ford Escort and Mercury Lynx models. The belt is made under license from Toyota, which includes it as standard equipment on all 1987 Cressida and Camry models.

GM's three-point, non-motorized design is used on the Buick LeSabre, Skylark and Somerset; Oldsmobile Calais and Delta 88; and Pontiac Bonneville and Grand Am.

The institute found that in Wisconsin, which does not have a seat-belt-use law, fewer than 40 percent of GM drivers used the passive belt at all times. But in North Carolina and Maryland, which have belt-use laws, more than 75 percent of GM drivers reported using their belts all the time.

Brian O'Neill, president of the Insurance Institute for Highway Safety, said: "The design Ford is using is superior. It's easier and more convenient, so more Ford motorists are buckled in. More of them are protected in crashes."

Overall, 25 percent of GM drivers surveyed knew their belts were automatic and used them sometimes. The others, when they used them, treated them as manual belts.

Addressing some expressed concerns that two-point belts may not prevent ejection as well as three-point belts, O'Neill said the institute's research showed that was not a serious problem.

In a separate study, the institute compared the percentage of fatally injured occupants ejected from cars with both systems. It found a lower percentage with the two-point belt than with the three-point belt system.

A recent NHTSA report to Congress revealed that other cars using a two-point motorized belt at some time during the 1987 model year are: Alfa Romeo Spider, Isuzu Impulse, Jaguar XJ series, Mazda 626 LX series, Chrysler Conquest (made by Mitsubishi), Mitsubishi Starion, Nissan Maxima, Saab 900-S three-door and Subaru XT.

NHTSA revises warning of anti-lock brake failure

WASHINGTON — NHTSA will allow the use of "ABS" (for Anti-lock Brake System) as an alternative abbreviation to "Anti-lock" for the warning that indicates failure of some portion of the anti-lock-braking system.

This revision required changing two safety standards: 101 (controls and displays) and 105 (hydraulic brake systems).

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Chrysler pushes AMC sales

Plans call for C-P, Dodge dealers to maintain market share

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors' strategy through the end of the decade calls for its Chrysler-Plymouth and Dodge dealer network to maintain current car market share in the face of mounting competition while the car share for the American Motors network increases.

Chrysler Corp. Chairman Bennett E. Bidwell said in an interview that Chrysler does not anticipate a "huge" growth in car-market share if Chrysler acquires AMC, but that Chrysler will try to build car share through the AMC channel.

He also said that the AMC field organization will be disbanded when Chrysler takes over. Changes in Chrysler's marketing organization also are expected, he said.

Asked about the concern of Chrysler Motors dealers that Chrysler products will be used to strengthen the AMC franchise, Bidwell said, "There is something called equality of sacrifice, equality of gain.

"If we can bring some good AMC products into our network and a few of ours into their network, I think everybody will benefit, as long as the products are good — and I think Jeeps and minivans are good products. We've got to do it very carefully.

"If, in the face of all the doom and gloom with 38 competitors in there, we can do the job of holding Dodge and Chrysler-Plymouth penetration between 10 and 12 percent, I think we'll have a damn good franchise on both sides of the house," Bidwell said.

"Building share at AMC is just doing *anything*. They are at two-tenths or three-tenths of a point. That's just selling a few cars."

Chrysler's share of the U.S. car market was 11.1

see CHRYSLER, page 61

AUTOMOTIVE NEWS/JOE WILSSENS

Bidwell: AMC field organization will be disbanded when Chrysler takes over

PORTS

Imports clog ports amid slow sales, possible dock strike

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Imported cars and trucks are languishing at the nation's leading ports — some for more than a month — before being routed to dealers, say port authorities and car processors.

The buildups apparently are due to lagging sales nationwide and concern by foreign automakers over contract talks between West Coast shippers and stevedores.

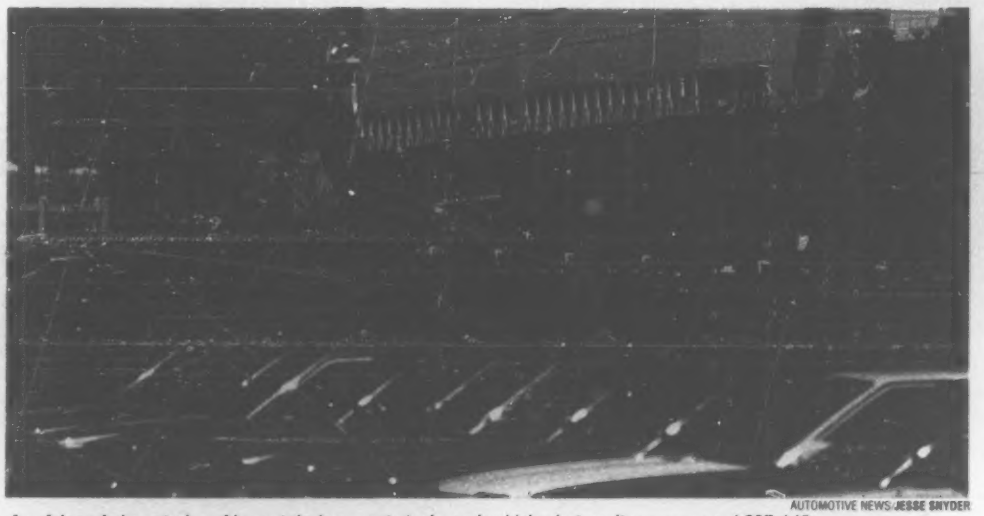
The International Longshoremen and Warehousemen Union's contract, covering 9,500 dock workers on the West Coast, expires June 30.

"Traditionally, there is a lot of movement of cargo prior to a deadline because some exporters like to hedge their bets, but work levels so far appear to be normal," said Charles Young, labor relations administrator for the Pacific Maritime Association.

Dock workers have not struck in nearly a decade, but a truck haulers' strike in 1985 — idling 20,000 drivers and maintenance and warehouse employees — virtually shut off the flow of new cars and trucks to dealer showrooms. Vehicles piled up at docks and railheads, but there were no production cutbacks.

As of June 1, the combined inventories of import dealers, port stocks and vehicles in transit stood at a record for the month of 837,145 units, up sharply from 565,699 a year earlier and 389,815 two years earlier.

see PORTS, page 57



AUTOMOTIVE NEWS/JESSE SNYDER

As of June 1, inventories of import dealers, port stocks and vehicles in transit were a record 837,145

New sales networks prepared

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — A race toward announcement of a second U.S. distribution channel is developing between Nissan Motor Corp. in U.S.A. and Toyota Motor Sales U.S.A.

Both are expected in the next month or two to make formal announcements of separate franchises to market larger, upscale models intended to compete against European imports in the booming high-end market (Automotive News, June 1).

Insiders say Nissan may beat Toyota to the announcement punch, but Toyota has a clear lead in product and dealer development for its new division, expected to start operations for the 1989 model year.

"Toyota is gearing up for a 1989 launch in force," one industry source said. "Nissan hasn't started yet on selecting which of its dealers will get a second franchise and it doesn't have its ducks in a row on a full line of models, so the only thing left for Nissan is to beat Toyota in making the announcement.

"Nissan has too many internal problems to have a full-fledged second franchise by next fall, but it probably could patch something together in a pinch. It doesn't want to be too far behind both Toyota and (American Honda's second division) Acura."

Nissan President Yutaka Kume confirmed last week in Tokyo that Nissan is considering a new luxury car for U.S. export.

Japanese press reports quoted Kume as describing a three-model lineup for the new division as a widened V-8 sedan version of the redesigned Cedric, a sporty model

see NETWORK, page 57

Soviet automotive plans include U.S. export in '91

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

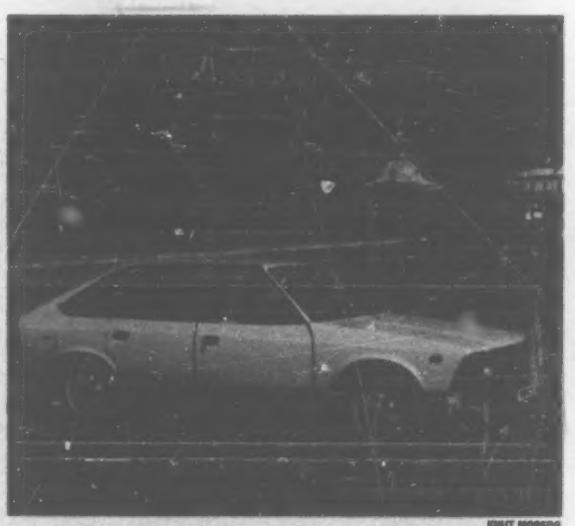
MOSCOW — The Soviet Union's AZLK auto factory in Moscow — using new independence from central industrial planning — will export its new front-wheel-drive Moskvich 2141 compact to the United States beginning in 1991.

AZLK President V.P. Kolomnikov said Moskvich plans to enter the American market after preparing a new U.S.-specification engine that could be developed in tandem with a Western automaker.

During a series of interviews with Soviet auto industry officials in Moscow and at the huge Volga Automobile Togliatti, it was also learned that:

- The Avtoexport arm of the Soviet Foreign Trade Ministry has revived dormant talks with Volkswagen for cooperation on development of the new Moskvich engine.
- Plans for Western introduction of the 2141 model at the Frankfurt Auto Show in September have been canceled. The new Moskvich will debut at the Brussels show in January, thus delaying the car's Canadian launch several months.
- The first Canadian-bound shipment of the new front-drive Lada Samara models was scheduled to leave Leningrad last week — nearly a year behind the original schedule.

see MOSKVICH, page 36



IDRUT MODERG

Five-door, 171-inch-long Moskvich will be renamed for export

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Chrysler expands in aerospace

DETROIT — Chrysler Corp. has announced plans to buy Electrospace Systems, a Texas-based defense electronics contractor, for $367 million.

Under a merger agreement, Chrysler will pay $27 a share for all of the stock of Electrospace Systems, Richardson, Texas. Chrysler already has been granted options by Electrospace Systems' four founding shareholders to acquire their 38 percent of the company's outstanding shares.

The Electrospace Systems business will be teamed with Chrysler's Gulfstream Aerospace Corp., which makes executive jets.

Chrysler has said that it was shopping for a defense and/or electronics firm as part of its effort to diversify from the cyclical automotive business.

In a statement, Chrysler Chairman Lee Iacocca said Electrospace Systems will make a real contribution to Chrysler in the high-tech area, especially teamed with Gulfstream.

Iacocca said there are no plans to merge Gulfstream and Electrospace Systems. Rather, they will operate as "sister companies within Chrysler Corp."

Electrospace Systems had net income of $10 million on sales of $191 million for its fiscal year that ended April 3. About 92 percent of its sales were to the military. Over the past 10 years, the company has achieved a growth rate of 33 percent in revenue and 31 percent in net income, compounded annually, Chrysler said. It employs 2,500 people at three major locations.

Electrospace Systems designs, develops and installs state-of-the art communications and electronic systems and equipment for specialized needs of military and commercial customers worldwide.

The largest of Electrospace Systems' five business areas is its Command-Control-Communications Systems (C3), which accounts for about 40 percent of sales.

Electrospace Systems' other four major business areas are: aircraft modification, switching and intelligence systems, technical services and commercial telecommunications equipment.

The tender offer is expected to begin by June 25 and will be managed by First Boston Corp.

Lotus is active in Detroit AUTOMOTIVE NEWS/JOE WILDERS

Satoru Nakajima drove the Honda-powered Lotus with computerized active suspension through the streets of Detroit in a practice session for the Detroit Grand Prix, June 19-21. In addition to Lotus, auto manufacturers demonstrating their Formula One racing wares before peers in Detroit included Alfa Romeo, BMW, Ford, Honda, Ferrari and Porsche. The new Lotus suspension is of particular interest to automakers because it has production-car applications.

Makers extend incentives; some models off the list

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers fine-tuned incentive programs last week to reduce the 2-million-car inventory.

Both General Motors and Ford Motor Co. had programs that expired June 15.

Ford indefinitely renewed the cash rebate or optional 3.9 annual percentage rate finance incentive on some models. Ford dropped Taurus, Sable, Tempo, Topaz, Club Wagon and the F150/250 pickups from the program.

That left automatic transmission Escort and Lynx models with a $300 rebate option and manual transmission Escort and Lynx models with a $600 rebate option. Ford also offers $800 on two-wheel-drive Ranger models and $1,000 on four-wheel-drive Rangers and Bronco II and 1987 Merkur XR4Ti models.

Chrysler Motors, with a 24-month 3.7 percent loan program that has been running since April without a closing date, added the Mitsubishi-built Dodge Ram 50 pickup truck.

GM's divisions late in the week extended their programs, with some modifications, making them retroactive to June 16.

GM's cash rebates range from $300 on Spectrum Express to $500 on Corsica, Beretta, Cavalier, Nova and most other Spectrum models to $1,000 on Camaro, S-10 Blazer and most S-10 pickups.

Low GMAC finance-rate options range from 3.9 percent for 24 months or less to 9.9 percent on 60-month paper.

Pontiac extended its program to Aug. 3, with the same interest-rate schedule, but dropped Grand Am, 6000 and 6000 STE. That left Sunbird and Fiero with a $500 cash rebate option, Bonneville with $800 and Firebird with $1,000.

Buick also left its program open-ended, but dropped Century, Skylark, Somerset and Skyhawk from the program. Electra and Park Avenue have 3.9 percent financing or a $1,200 cash rebate option and LeSabre has 3.9 percent financing with an $800 rebate option.

The Oldsmobile program, also without a closing date, dropped Firenza, Calais and Cutlass Ciera, leaving the 3.9-percent loans or $800 cash on Delta 88 and 3.9 percent or a $1,200 rebate on 98 Regency.

American Motors' program has no closing date. AMC increased its cash option on Medallion to $500; the loan options range from 3.9 percent for 24-month contracts to 9.9 percent for 60-month contracts.

The program offers zero-percent financing for 24-month contracts, up to 9.9 APR for 60-month paper, or rebates of $500 on 1987 Renault Alliance and GTA models, 1986 Alliance and Encore models, and 1986 and 1987 2wd Jeep Comanche models except shortbed, and $1,000 on 4wd models.

For Jeep Cherokee, the option is 3.9-percent loans or $1,000 on 1986 and 1987 two-door models and 5.9 percent or $600 on four-door Cherokees and Jeep Wagoneers. Dealer participation is required.

Chrysler expected to sell its minivans through AMC dealers

By Laura Clark and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Chrysler is expected to will sell its minivans through American Motors dealers once Chrysler's takeover of AMC is completed.

Documents filed by Renault with the Securities and Exchange Commission show Chrysler Corp. will not be required to make a contingency payment to Renault if it sells Jeep-branded minivans through AMC dealers. Such a contingency payment will be required if it cross-sell other models.

Chrysler must pay a fee to Renault if a current Chrysler model replaces an existing model in Jeep's lineup and is sold under the Jeep brand name, according to the documents. The provision excludes the Chrysler minivan but includes the Dodge Raider, imported from Mitsubishi.

Chrysler also will make contingency payments to Renault for each Premier and Jeep model sold through Chrysler's distribution network, according to the documents.

The fees are based on a formula outlined in the the documents and will apply to vehicles sold through Dec. 31, 1991.

Chrysler Vice Chairman Bennett Bidwell said "good" AMC products will be brought into the Chrysler distribution network and "good" Chrysler products will be sold through the AMC network. "And I think Jeeps and minivans are pretty good products," he said.

The SEC documents list the names of AMC executives and former executives that are "protected" employees with employment and severance agreements. The details of those agreements will be outlined in the upcoming proxy statement, expected to be filed this week.

The "protected" employees are: Geoffrey Banks, president of American Motors Financial Corp.; Richard A. Calmes, vice president; Joseph E. Cappy, president; Francois J. Castaing, group vice president; Joseph A. Chama Srour, controller; Tod O. Clare, vice president; William E. Enockson, group vice president; Thomas J. Foley, vice president; Gerard Gastaut, vice president; and Kenneth A. Lawton, vice president.

Also, John W. Mowrey, vice president; Jesus Peon, vice president; Pierre Semerena, chairman; John M. Sheridan, secretary; Jerry L. Sloan, vice president; Marvin W. Stucky, vice president; John P. Tierney, vice president; Paul Tippett, former chairman and president; Gerald D. Meyers, former chairman; A. Keith Ebersole, former vice president; George A. Maddox, retired vice president; Peter G. Guptill, former group vice president; and Royston Lund, retired vice president.

Potamkin, Penske talking

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The Penske Group is negotiating with Victor Potamkin, the largest Cadillac dealer in the nation, to acquire control of the Potamkin Cadillac operation in New York City.

The negotiations were confirmed by various sources, but a price was not disclosed.

Potamkin has two Cadillac locations in Manhattan.

If the negotiations result in Penske taking over the Cadillac franchise, Potamkin will retain three dealerships in the city, handling Chrysler, Dodge, Plymouth, Sterling, Mitsubishi, Toyota and Volkswagen.

The Penske Group has two Cadillac franchises in California but no dealerships in New York state.

Both organizations are billion-dollar operations. Potamkin, with 41 dealerships in five states, had $1 billion in sales last year.

The Penske Group, headed by Roger Penske, has seven dealerships; a truck leasing company, Hertz-Penske; and other businesses. Last year, it purchased Longo Toyota, El Monte, Calif., the largest Toyota dealership in the country.

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World Congress slates marketing specialists

As a 16-year-old car hobbyist, Rick Cole judged his first concours d'elegance.

Today, at 32, he is president of Rick Cole & Associates, a collector-car auction house based in Studio City, Calif., that has been averaging more than $10 million in gross sales annually.

Cole will join with five other retail-market pros in sharing their expertise with attendees at the 12th annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

The others are: Mary Falvey-Fuller, a management consultant and president of Falvey Motors of Troy (Mich.) Inc.; John J. Ferron, vice president, National Automobile Dealers Association; Jayne Hamilton, president, Market Development Associates Inc.; D. Forbes Ley, executive director, Sales Success Institute Inc.; and Michael Wayne, chairman and president, Durakon Industries.

In addition to Falvey Motors of Troy, which sells Jaguar, Saab and Sterling cars, Falvey-Fuller has two other dealerships in the Detroit suburb: Falvey Toyota Inc. and Falvey Volkswagen Inc. She also is a management consultant — and will use that experience to address how dealerships can operate more effectively.

She is the Detroit Metropolitan Area Dealers' representative on the Toyota Regional Advisory Council, and Jaguar rep for Michigan of the American International Automobile Dealers Association.

Falvey-Fuller has served on President Reagan's Transition Task Force on Social Security, the National Commission on Social Security Reform and the National Advisory Council on Social Security.

Ferron supervises NADA's government, industry and dealership relations activities. As NADA's second-ranking staff executive, he coordinates policy positions for the largest retail automotive consulting group in the industry.

Hamilton founded Market Development Associates, a market research, training, publishing and consulting firm in Bloomfield Hills, Mich.

The author of "How to Sell Cars and Trucks to Women," Hamilton's expertise on issues related to women, cars and trucks is recognized industrywide. Her World Congress topic will be "Changing Global Views on the Women's Market."

Before founding Durakon in 1979, Wayne was national and international manager of the General Motors account for IBM and developed a number of innovative sales concepts and marketing tools for the company.

Under his leadership, Durakon, based in Lapeer, Mich., has become the world's largest producer of pickup truck-bed liners.

Ley, head of the Sales Success Institute, will speak on the topic, "America Has Lost Its Ability to Sell," at this year's World Congress.

This year's Congress will feature more than 30 speakers, who will share their knowledge and viewpoints on where the car and truck industry stands today and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

May truck sales by manufacturer and segment

		CLASS 1-3	CLASS 4	CLASS 5	CLASS 6	CLASS 7	CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	63,298						63,298	64,921
	YR	276,597						276,597	299,302
JEEP	MO	17,146						17,146	15,979
	YR	81,106						81,106	78,778
TOYOTA	MO	32,896						32,896	38,478
	YR	129,596						129,596	154,896
NISSAN	MO	15,853						15,853	21,104
	YR	92,464						92,464	93,292
MAZDA	MO	10,701						10,701	15,206
	YR	49,339						49,339	59,630
ISUZU	MO	7,104						7,104	3,865
	YR	38,491						38,491	34,543
MITSUBISHI	MO	4,647						4,647	2,684
	YR	20,379						20,279	14,190
SUZUKI	MO	8,000						8,000	4,436
	YR	36,942						36,942	16,623
SUBARU	MO	96						96	240
	YR	935						935	1,261
RANGE ROVER	MO	220						220	0
	YR	469						469	0
FORD	MO	125,460			731	2,909	1,203	130,303	131,740
	YR	574,903			4,266	12,233	4,872	596,274	553,969
FREIGHTLINER	MO						2,000	2,000	1,552
	YR						8,775	8,775	7,161
CHEVROLET	MO	99,413		29	776	684	48	100,921	125,829
	YR	464,892		85	3,178	3,142	170	471,467	525,460
GMC	MO	24,577		173	640	2,599	871	28,860	32,572
	YR	122,169		2,873	2,811	11,209	3,978	142,839	144,759
KENWORTH	MO					5	1,167	1,172	868
	YR					35	5,413	5,448	3,219
MACK	MO				171	227	1,781	2,179	2,049
	YR				1,135	1,322	7,362	9,820	8,998
MERCEDES	MO				120	222		342	291
	YR				680	949		1,629	1,507
NAVISTAR	MO		9	40	768	2,435	2,081	5,331	5,800
	YR		31	142	4,084	12,418	10,816	26,471	27,730
PETERBILT	MO					24	1,049	1,073	857
	YR					24	4,040	4,064	3,796
VOLVO	MO					143	1,013	1,156	1,113
	YR					989	4,417	5,085	5,048
HINO	MO			60	33	117		210	0
	YR			187	202	393		782	0
NISSAN DIESEL	MO			42	16	61		119	0
	YR			156	119	296		571	0
ISUZU TRUCK	MO	441		13	20			474	508
	YR	1,895		49	86			2,030	2,159
MITSUBISHI FUSO	MO	45			11	36		92	0
	YR	172			57	128		357	0
SCANIA	MO						12	12	0
	YR						63	63	0
IVECO TRUCKS	MO	85	52	72	15			222	0
	YR	547	250	249	45			1,090	0
WESTERN STAR	MO						105	105	0
	YR						545	545	0
OTHER DOMESTICS	MO				24		117	141	130
	YR				49		441	490	524
GRAND TOTAL	MO	409,880	61	429	3,323	9,949	11,448	434,855	458,081
	YR	2,060,238	281	3,840	16,871	47,218	51,667	2,209,181	2,072,347
1986 YR to DATE		1,895,416	0	1,591	17,146	41,501	46,530		

Class 1-3 sales data reported by individual manufacturers. Class 4-8 data reported by Motor Vehicle Manufacturers Association.

Heavy trucks strong in slow May market

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Total truck sales, including light, medium and heavy trucks, were off 5.1 percent in May, but the five-month count was 1.7 percent ahead of last year's.

The industry retailed 434,655 trucks in the United States in May, down from 458,081 in May 1986.

For five months, total truck sales of 2,006,161 were marginally ahead of last year's 1,972,347.

The medium and heavy truck segments continue to be strong, with some manufacturers enjoying particularly robust gains.

Class 8 retail sales of 11,448 in May were up 13.6 percent from 10,077 last year, according to the Motor Vehicle Manufacturers Association.

For five months this year, Class 8 sales of 51,892 were up 12.0 percent over 46,330 last year, according to MVMA.

Within Class 8, Freightliner, Kenworth and Peterbilt had a particularly strong month.

Freightliner retailed 2,000 Class 8 trucks in May, 28.9 percent more than last year.

It retailed 8,775 heavy trucks during the first five months of this year for a 22.5 percent gain over 1986.

Similarly, PACCAR's Kenworth and Peterbilt had sales gains of 35.0 percent and 25.2 percent, respectively, last month.

Kenworth's sales of 1,172 were up from 868 last year. Peterbilt's sales of 1,073 were up from 857 in May 1986.

Class 7 sales of 9,443 trucks in May were up 12.8 percent from 8,370 last year. Through May, Class 7 sales of 42,818 units were up 2.2 percent over 41,901 a year earlier.

Class 6 sales of 3,323 units last month were off 6.5 percent from 3,555 a year ago. Year-to-date through May, their total of 16,671 was down 2.8 percent from last year's 17,149.

Class 5 sales of 420 trucks in May were more than double the 185 retailed last year, due largely to the influx of import firms.

For five months, the 3,540 Class 5 sales also more than doubled the 1,551 units sold in that medium-duty segment last year.

Class 4, although small, also is growing. There were 61 retail deliveries reported in the segment during May and 281 for five months, compared to none reported last year.

The light-duty, Class 1-3 category accounted for 409,960 retail deliveries in May, off 5.9 percent from 435,386 last year.

For five months, the light-duty total of 1,890,959 was a record, topping the previous high of 1,865,416 in 1986 by 1.4 percent.

Rockwell forms clutch venture, boosts stake in Brazil axle firm

TROY, Mich. — Rockwell International has put together several deals to enhance its truck operations.

Rockwell and Daikin Manufacturing Co., of Japan, formed a joint-venture company called Rockwell Clutch Co., designed for entry to the North American truck clutch market.

Rockwell Clutch will design, develop and manufacture clutches for medium- and heavy-duty trucks for North America. Rockwell International will hold majority interest in the firm.

Daikin will provide the clutch manufacturing expertise, and Rockwell will contribute an established field-sales force and original-equipment marketing network in North America.

Arthur P. Ronan, president of Rockwell's Automotive Operations, said the deal would enable Rockwell to enter the North American medium/heavy truck clutch market from a position of strength and furthered its objective of providing customers with an integrated powertrain system.

James D. Clifford, previously Rockwell director of purchasing, was named president of the new company. Keisuke Fujimoto, previously a director of Daikin and manager of its international projects, was named executive vice president.

Rockwell Clutch Co. expects to supply its first clutch products by late 1988 from a U.S. facility.

Separately, Rockwell said it acquired an additional 51 percent of Braseixos SA, an axle manufacturing firm in Sao Paulo, Brazil, from the Cobrasma Group. The purchase gives Rockwell 99 percent ownership of the company.

Braseixos builds axles for cars; light, medium and heavy trucks and tractors; buses; and off-highway equipment.

Rockwell also announced that it has expanded its on-board truck computer system.

The company predicted that the new system will enable drivers to obtain a waiver from federal laws requiring them to maintain annual driving logs.

Rockwell is offering a new automatic driver logging option for its Tripmaster Plus on-board computer system.

The option is designed to simplify and automate the motor carrier's entire log-keeping process and reduce operating and clerical costs.

The Logtrak option will also enable motor carriers to apply to the Federal Highway Administration for a waiver on manual driver logging, according to Stephen M. Humphrey, vice president and general manager of Rockwell's Transmissions and Automotive Electronics business.

The Auto Carrier Division of Leaseway Transportation Corp. has asked the Department of Transportation to waive the requirement of manual log-keeping for its 3,400 drivers in favor of data collected and stored electronically by Rockwell's Tripmaster Plus system with the Logtrak option.

The FHA is reviewing Leaseway's waiver request. Leaseway said that the electronic recording of information is more accurate and comprehensive, is less costly to administer and is a faster method of identifying unsafe driving habits.

SERVICE MANAGEMENT

Ford has diagnostic computer for '88 Continental

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

When computers in the new 1988 Lincoln Continental chatter, a computerized diagnostic system will listen.

Ford Motor Co.'s new Service Bay Diagnostic System will be introduced to Lincoln-Mercury dealers in a pilot program starting late this year. It is a computer that guides technicians through the repair of Ford's electronic engine control (EEC-IV) unit and the many components with which that unit interacts.

The system will initially be programmed to link with the 1988 Lincoln Continental, but will also contain some service information relating to Taurus/Sable models.

Ford plans to market the system to dealers nationwide by the "third or fourth quarter of 1988," according to Robert A. Rechul, supervisor of service systems design for Ford Parts and Service Division.

By the early 1990s, Ford expects to be able to link all of its models into the Service Bay Diagnostic System. All Ford automobiles currently use the EEC-IV system but the new Lincoln is the first Ford to include additional "Data Communication Link" circuitry that allows the engine computer to "talk" to the diagnostic computer.

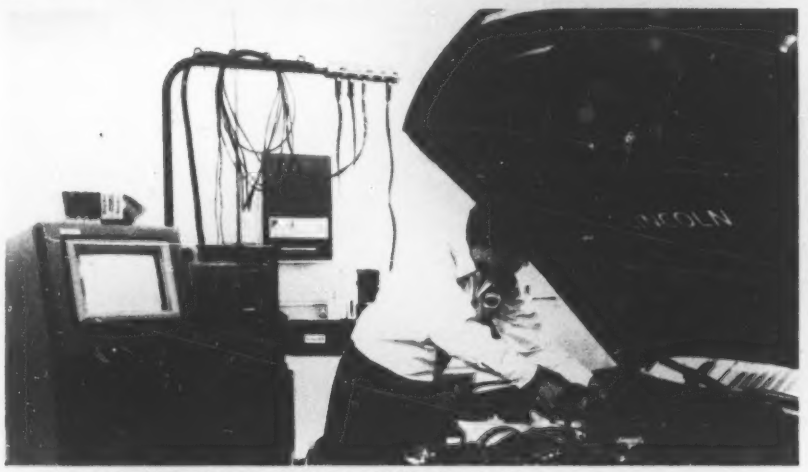
When the diagnostic computer is introduced nationwide, plans call for additional Ford vehicles to be equipped with the Data Communication Link circuitry.

The Service Bay Diagnostic System was developed in conjunction with Hewlett-Packard Co. and incorporates a touch screen Hewlett-Packard computer and printer.

The diagnostic system taps into the EEC-IV system through the Data Communication Link and listens to the EEC-IV "talk" to other electronic modules in the system, Rechul said. Those other modules include the electronic instrument cluster and the message center.

The diagnostic system can also download programs through the EEC module to activate sensors and actuators.

In order to detect intermittent problems, the Service Bay Diagnostic System has a portable engine analyzer that can be operated during a road test.



The Service Bay Diagnostic system will soon aid Lincoln technicians

Rechul said the system was designed to attack repair diagnostics in three ways. The system extracts data from the EEC-IV system and sets up an automatic diagnostic procedure.

The system can communicate with Ford's OASIS (On-Line Automotive Service Information System) to receive technical information from a central data bank in Dearborn, Mich.

Finally, the system can show the technician service bulletins and technical drawings on its video touch screen and printer.

Donald Morgan, supervisor of advanced service engineering for Ford Parts and Service Division noted that the computer controlled actuators and sensors on current cars are seldom placed in a standard location and often differ in appearance. It is important for a technician to see what the parts look like, especially on newly introduced cars, he said.

Rechul said that a technician using the Service Bay Diagnostic System selects an area where the suspected problem lies, be it ignition, fuel system or EEC module. The system guides the technician through a diagnostic "tree." If the technician needs additional assistance — to see what a part looks like, for example — he can ask for help by pressing a button on the touch screen.

In a case where a problem is narrowed down to a sensor, for example, the technician can plug the machine into the part and simulate the voltage it is supposed to receive. In that way, the technician can determine if the problem lies in the part or the wiring.

Ford is also developing "artificial intelligence" programming for the Service Bay Diagnostic System.

Rechul said that "artificial intelligence" would allow the machine to initiate a strategy for attacking a problem. In other words, the machine would determine which area to attack — ignition, fuel or EEC module. Artificial intelligence would also allow the Service Bay Diagnostic System to track the problem automatically to a specific component. At that point, the technician might be asked to connect the machine directly to the component to test for a flaw in the component, the connection, or the wiring.

Some artificial intelligence capability will be available in the pilot system and still more will be incorporated by the time of the national rollout.

The artificial intelligence capability is under joint development by Ford and the Carnegie Group, of Pittsburgh.

Ford also is developing a "Read Only Memory" compact disc system for the Service Bay Diagnostic System that could hold about two years of shop manuals — 40,000 pages — for the complete Ford line. That system should also be in place at the time of the national rollout. Currently, only Lincoln Continental and Taurus/Sable information is stored.

Ford officials noted that the new Lincoln can be repaired by conventional means, but the Service Bay Diagnostic System is designed to raise the skill level of the average mechanic to an expert level.

No price has been set, but Rechul said the diagnostic system will be priced comparably to high-end test equipment — $15,000 to $25,000.

General Motors has a diagnostic computer that is similar to Ford's in its IBM PC-based Computerized Automotive Maintenance System, currently in use at Buick dealerships.

Chrysler's diagnostic strategy reportedly is concentrated on developing sophisticated on-board diagnostics that can be read by hand-held diagnostic equipment.

Most Big Three vehicles can be diagnosed using hand-held equipment. The Chrysler strategy calls for improvements in that technology.

Shop volume shows gain of 4% for April

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Automotive News Service Index rose 4.1 percent in April compared with April 1986. It was the third monthly gain in a row.

In March, service and parts volume at new-car dealerships was up 8.6 percent over the 1986 figure.

In the first four months of 1987, shop business showed an advance of 3.7 percent over the same period in 1986.

A Western Buick dealer attributed his increase in service volume to an added franchise and to a "better job of selling labor by service advisers and technicians."

A Chevrolet dealer in the Northeast said, "The use of a team system has helped utilize space and increase productivity."

A Ford dealer in that area attributed his increase to a change in service management.

And a Midwest Ford dealer tied his increase to strong fleet sales (and service) and summer tuneups.

All indicators, with the exception of repair orders written, showed gains in April. Repair orders, which were down 3.2 percent from last year, often lag slightly behind the other indicators.

Sales of all parts and accessories registered the biggest gain in April, up 6.6 percent over April 1986.

SERVICE INDEX
104.1*

	April '87 vs. April '86	4 mos. '87 vs. 4 mos. '86
Gross Profit on All Labor and P&A Sales	+8.2%	+5.1%
Repair Orders Written	−3.2%	−4.2%
Total Labor Sales (Customer & Warranty)	+5.6%	+6.4%
Shop Parts Sales (Customer & Warranty)	+5.3%	+3.8%
Sales of All P&A	+6.6%	+7.3%

* Survey by Automotive News shows that dealers' service and parts business in April 1987 was 104.1 percent of business in April 1986. Service business in the first 4 months of 1987 was 103.7 percent of business in the corresponding period in 1986.

Gross profit on all labor, parts and accessory sales climbed 6.2 percent; total labor sales (customer paid and warranty) rose 5.6 percent; and shop parts sales (customer paid and warranty) were up 5.3 percent.

Parts and accessories sales to off-premises customers climbed 7.6 percent in April.

Sales of all parts and accessories also showed the biggest gain through the first four months of 1987, up 7.3 percent.

Total labor sales climbed 6.4 percent; gross profit on all labor, parts and accessory sales rose 5.1 percent; and shop parts sales increased 3.8 percent.

Repair orders written fell 4.2 percent in the four-month period.

Parts and accessory sales to off-premises customers were up 10.0 percent through April.

Dealers accent summer specials

Sometimes, all it takes to build business is a gentle reminder to customers that service is available.

In an informal Automotive News survey of auto dealers on summer service specials they are promoting, the responses were hardly unique — air conditioning and oil change services were quite common.

Dealers also said they offered body repair service specials, transmission and alignment work and free safety checks.

For example, a Western Oldsmobile dealer said he offers coupons redeemable in the body shop, a free car wash with any service job and a free lubrication with an oil change. He advertises the promotions weekly in local newspapers.

A Midwest Ford dealer said he promotes transmission and wheel alignment service in addition to the summer standards of air conditioning, oil changes and belt and hose specials.

And a Western Chevrolet dealer said he also promotes front-end alignment as well as tire rotation and balancing service and a free safety check.

Toyota service

Toyota Motor Sales, U.S.A., is offering its dealers a "while-you-wait" service program to compete with aftermarket quick-service operations.

The program is called "Express Lane Service." It also enables dealers to spot additional malfunctions and suggest repairs to the customer.

Although Toyota dealers may offer any type of quick service, Toyota Motor Sales is recommending that its dealers start with oil and filter changes.

More than 300 Toyota dealers currently offer Express Lane Service, and plans call for additional dealers to offer it.

SHOP TALK

ARTHUR FLAX

Hispanic marketing

Chief Auto Parts, an auto parts retailer, has developed special store sites, advertising and community involvement with Hispanic communities.

Hispanic communities are a fast growing segment of the population, Chief noted. The communities are segmented — Mexicans, Puerto Ricans and Cubans are the large groupings — yet all Hispanics share a desire to maintain their cultural and linguistic identity.

Along those lines, Chief contributed to a renovation project on the West side of San Antonio, Texas, by building a store designed like other buildings in the area.

Store patrons may pick up bilingual comment cards that ask about the quality of service received.

Since Hispanics comprise 21 percent of Chief's customer base, customers may call a toll-free number and receive assistance in English or Spanish.

An advertising campaign also began in May. Television and radio ads, in addition to in-store point-of-sale material, are directed to Hispanic conssumer in selected markets.

Krex anniversary

Krex Inc., maker of a graphite oil additive, is celebrating its 40th anniversary of exclusive sales to new-car dealers.

The company noted that before it found a market with new-car dealers, the lubricant was used to help increase production of airplane engines during World War II.

During the war, a serious rejection rate developed on Rolls-Royce Merlin airplane engines that were being produced at the Packard Motor Car Co. plant in Detroit.

A lubrication problem was suspected, and the graphite treatment apparently solved the problem. It became a standard treatment at the plant.

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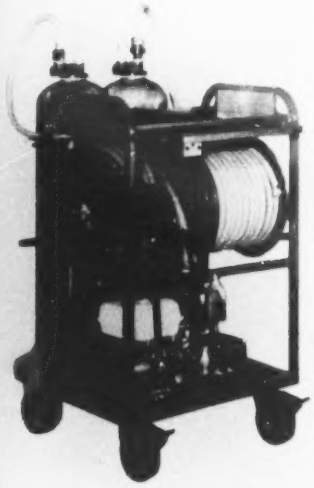

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SALES

Cars slip, trucks rise in Canada

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Sales of North American-built cars in Canada dropped 14.36 percent in May from the year-earlier total, but truck sales climbed a bit.

Canadian dealers delivered 69,430 North American-built cars in May, compared to 81,076 in May 1986. Truck sales totaled 36,993 in May, up 1.36 percent over 36,496 a year ago.

General Motors, Ford Motor Co. and Chrysler Motors offered low finance rates or cash incentives on selected vehicles during the month. GM offered 3.9 percent financing on 24-month loans or $750 cash rebates on several cars and light trucks. Ford offered loans from 3.9 to 9.9 percent or $750 cash on selected cars and light trucks. Chrysler offered cash rebates between $500 and $1,500 on some cars and trucks.

Five of the six domestic carmakers suffered declines in car sales compared to the year-ago month. Honda, Canada's sixth automaker, began producing four-door Accords in its Alliston, Ontario, plant in November 1986 and began importing its Acura sedan and coupe to Canada in March. Sales for May were 1,267 Canadian-built Hondas, 604 Japanese-built Acuras and 5,883 Japanese-built Hondas for a total of 7,554, compared to 6,409 last year. The 1986 sales were all imports.

CANADIAN SALES

	May 1987	May 1986	Pct. Change	5 mos. 1987	5 mos. 1986	Pct. Change
AMC						
Cars	497	957	-48.07	2,114	4,114	-48.61
Jeeps	2,036	1,571	+29.54	8,486	5,960	+41.89
CHRYSLER						
Cars	13,624	16,551	-19.07	67,477	70,699	- 4.56
Trucks	7,397	6,859	+7.99	31,192	20,992	+48.96
GM						
Cars	33,783	41,481	-18.56	158,397	189,147	-12.07
Trucks	14,454	14,803	- .24	65,998	64,848	+ 1.78
FORD						
Cars	19,840	21,831	- 9.12	88,998	88,448	+ .58
Trucks	13,107	13,272	-1.24	58,743	55,018	+ 6.77
VOLVO						
Cars	219	256	-14.45	973	1,152	-15.54
HONDA	1,267	—	—	2,913	—	—
TOTAL CAR	69,430	81,076	- 14.36	318,834	342,580	- 6.93
TOTAL TRUCK	36,993	36,496	+1.36	164,387	146,837	+ 11.96

GM's car sales dropped 18.56 percent in May. It sold 33,783 North American-built cars compared to 41,481 in May 1986. Ford car sales declined 9.12 percent. It sold 19,840 in May compared to 21,831 a year ago. Chrysler car sales were also down, falling 19.07 percent to 13,824 from 16,551 in 1986.

Sales of American Motors' Eagle dropped 50 percent to 22 units from 44 in May 1986. Deliveries of North-American built Renault cars fell 47.97 percent to 475 compared to 913 a year earlier. Canadian-built Volvo sales dropped 14.45 percent to 219 from 256 in May 1986.

GM was the leader in truck sales in May, although its sales were off a fraction from 1986. GM sold 14,454 trucks, down 0.24 percent from 14,803 a year earlier. Ford, with the second largest May sales volume, showed a 1.24 percent dip with 13,107, compared to 13,272 last year.

In addition to North American-built cars, GM in May sold 1,104 Suzuki-built Chevrolet Sprints, 966 Suzuki-built Pontiac Fireflys, 39 Isuzu-built Chevrolet Spectrums and 62 Isuzu-built Pontiac Sunbursts. Ford sold 874 Mercury Tracers, 31 Merkur Scorpios and 34 Merkur XR4Ti models. The Tracer is built in Taiwan; the Scorpio and XR4Ti in West Germany. Chrysler sold 1,356 Mitsubishi cars 17 Peugeots. As mentioned, Honda sold 604 Japanese-built Acura models and 5,883 Japanese-built Honda models.

Volvo sold 508 Swedish-built cars in May, and AMC sold 411 imported Renaults.

In the imported truck category, GM sold 37 Isuzu medium-duty trucks and Chrysler sold 430 Mitsubishi trucks.

CANADA MARKET SHARES May 1987

Cars	
General Motors	48.65%
Ford Motor Co.	28.58%
Chrysler Motors	19.91%
American Motors	.72%
Volvo	.32%
Honda	1.82%
Trucks	
General Motors	39.07%
Ford Motor Co.	35.43%
Chrysler Motors	20.09%
Jeep	5.50%

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Early-June deliveries drop

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of United States-built new cars for June 1-10 were off almost 10,000 units from even the depressed year-earlier count.

Sales dipped 4.41 percent, or 9,637 cars, to total 208,699, compared with 218,336 last year.

The daily selling rate of 23,189 units was down 15.03 percent from the average of 27,292 in the comparable 1986 period. There were nine selling days in the period this year and eight days last year.

Sales slipped despite widespread retail sales incentives.

Dealers said customers have grown accustomed to rebates and reduced financing charges. As a result, even as incentive expiration dates approach — as they did in the most recent sales period because many plans were to expire June 15 — there was no jump in sales as some might expect.

In the period, American Motors dealers delivered 58.97 percent fewer cars than they did a year earlier. Volkswagen dealers saw a dip of 49.85 percent. Ford Motor Co. dealers retailed 20.57 percent fewer cars, while General Motors dealers reported a decline of 16.71 percent. Sales dipped 10.83 percent for Chrysler Motors dealers.

Nissan's retail sales in the June 1-10 period totaled 3,341 cars, up from 89 last year when Nissan's U.S. plant was done for model changeover.

Honda reported a sales gain of 114.10 percent in the period.

Toyota, which did not begin selling U.S.-made cars until last September, reported deliveries of 160 units in early June.

DOMESTIC SALES

	June 1-10, 1987	June 1-10, 1986
Renault		
Alliance-Encore	445†	1,200†
AMC	150†	250†
American Motors	595	1,450
Chrysler	8,888	7,843
Plymouth	9,411	10,728
Dodge	11,050	14,040
Chrysler Motors	29,078	32,609
Ford	41,158	32,994
Mercury	13,825	13,056
Lincoln	5,306	4,038
Ford Motor Co.	60,389	50,088
Buick	14,857	32,217
Cadillac	6,592	6,783
Chevrolet	45,100	45,585
Oldsmobile	20,358	24,924
Pontiac	20,510	19,988
General Motors	107,427	129,077
Volkswagen	997	1,988
Honda	8,712	8,135
Nissan	3,341	89
Toyota	160	0
U.S. Industry Total	208,699	218,336

† Estimate

Servicing Exoticars ■ White Knights of the Service Business

Automotive News®
June 22, 1987

Extra

SERVICE MANAGEMENT

Our annual survey reveals pessimism among managers

By Al Fleming

The mood of the nation's new-car dealership service managers is trending toward pessimism.

Not down-in-the-dumps pessimism.

More like, business-just-can't-stay-as-good-as-it's-been pessimism.

Still and all, those in charge of service operations for franchised domestic and import dealers in the United States are less confident about future business than at any time in the five years *Automotive News* has conducted its annual Service Management Survey.

Only half of those questioned about the outlook for the U.S. auto industry generally, and their dealerships specifically, indicated they expected business to improve this year and next.

That 50-percent level was down from 61.2 percent who anticipated improvement last year, 64.9 percent in 1985, 89.7 percent in 1984 and 89.1 percent in 1983.

In contrast, 22.1 percent said they expect slowdowns in 1987 and 1988. That compares to only 6.2 percent in 1986, 9.4

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Cover illustration by Dave Harbaugh

COVER STORY

Continued from cover page

percent in 1983.

Granted, the industry was just shaking out of the recession doldrums in '83 and '84, and there was almost no way to go but up, because it was almost impossible for things to get worse.

Conversely, the industry has enjoyed back-to-back 11-million-plus retail sales of new cars (domestics and imports combined) in the U.S. in 1986-'85, including an all-time high 11,463,092 units last year.

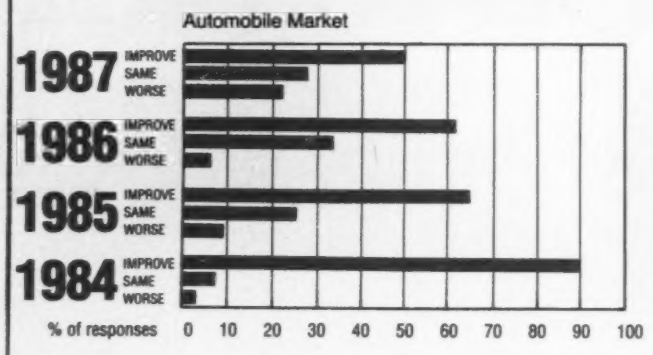
Apparently, half the service managers surveyed believe that robust pace can't be sustained for three or four years in a row.

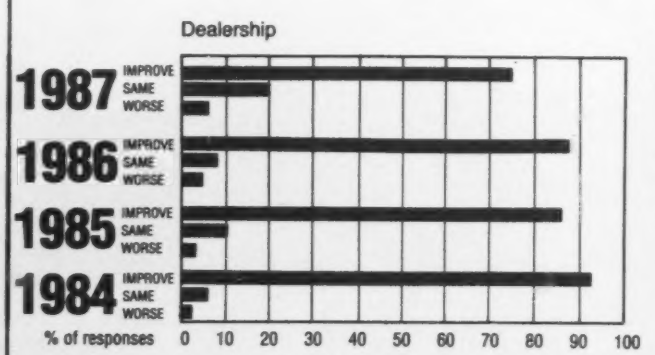
However, there are those who see continued good times.

A service manager in LaSalle, Ill., notes: "The market should improve for two-three years as late-model buyers roll over into newer products with extended powertrain warranties. These same long warranties tie the owner to the dealer. The real question is: Can the 'fixed operation' remain profitable as the percentage of warranty repairs increases?"

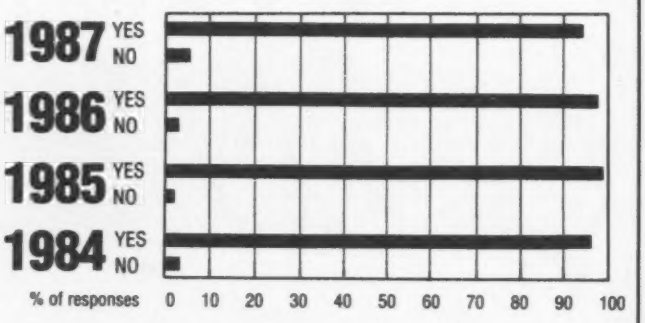
Another in Beaumont, Texas, expects business to keep getting better "because of a much-improved product, the manufacturer's commitment to build a quality vehicle and the dealership's commitment to service after the sale...I think the economy will be more stable, leading to more people with stable incomes being able to afford automobiles or service."

Question 1: What do you consider the business outlook to be for the automobile market in general and your dealership specifically for the next two years?

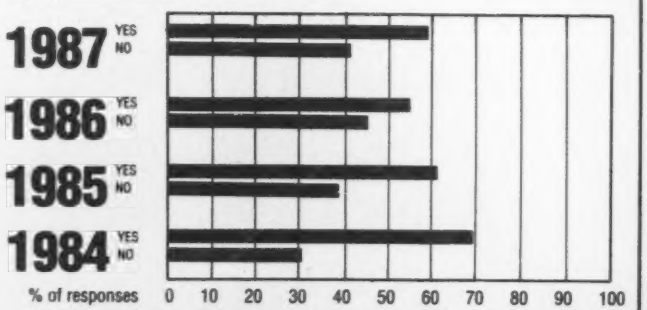

Automobile Market
1987 IMPROVE SAME WORSE
1986 IMPROVE SAME WORSE
1985 IMPROVE SAME WORSE
1984 IMPROVE SAME WORSE
% of responses 0 10 20 30 40 50 60 70 80 90 100


Dealership
1987 IMPROVE SAME WORSE
1986 IMPROVE SAME WORSE
1985 IMPROVE SAME WORSE
1984 IMPROVE SAME WORSE
% of responses 0 10 20 30 40 50 60 70 80 90 100

Question 2: Do you as a service manager feel your service department offers the potential for increased profits in the future?



Question 8: Does your dealership plan to buy any new service equipment this year?



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COMING JULY 13: AUTOMOTIVE NEWS ALL-STARS EXTRA

Industry Editor
Al Fleming

Assistant Industry Editor
Edward Peabody

A number of other findings are indicated by the 1987 survey, covering new-car dealership service managers throughout the U.S.

While managers continue to retain a high level of confidence regarding potential for increased profits by their operations (only 5.6 percent anticipate a decline), the negative response was the greatest in the survey's five-year history.

The vast majority expressing confidence in future-profit boosts listed such reasons as the increasing complexity of new cars, extended warranties, improved marketing and merchandising of service operations by dealerships and a reduction in competition from independent service stations.

Those foreseeing profit declines cited as the main reasons the improving quality of new cars and a falling new-car market in the next two years.

There apparently is growing sentiment among service managers that dealerships must step up spending to promote service operations. Of those responding, 37.5 percent — the highest count in the survey's history — said their dealers are not spending enough on these activities.

Among the 62.5 percent indicating such spending is sufficient, many said they have responsibility of and control over their service budgets.

Many also say they are using in-house computerized data bases to devise and track the effectiveness of their direct-mail, advertising and promotional campaigns.

The survey also indicated growing control of their operations by service managers.

Of those surveyed, 91.7 percent, the highest number ever, said they participate in hiring dealership mechanics, while only 2.7 percent, the smallest number ever, said dealership managers participate in that function.

For the third straight year, 100 percent of the service managers surveyed said they are involved with service-equipment purchases at their dealerships.

Although 59.2 percent said their dealerships planned to buy new service equipment in 1987 — up somewhat from last year (55.0 percent) — intent-to-purchase this

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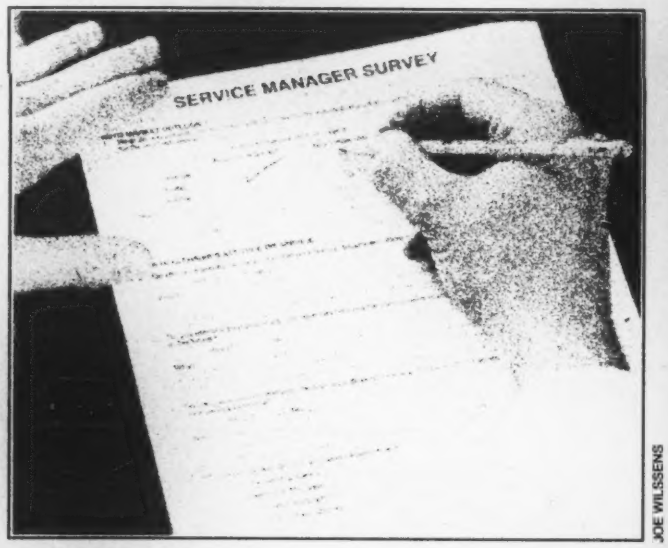


JOE WILSSENS

A manager in Benson, N.D., says, "Increased interest rates on car loans and less tax incentives, along with increased new-car prices, will cause a drop in sales. We hope to maintain profits by increased service and parts sales."

Another in Cincinnati says: "I believe increases in inflation and the cost of bank loans, labor hours and foreign cars will influence a decline in the auto industry. The price of automobiles is too high. We have taken a large segment of working-class people out of the new-car market. This in turn has driven up the cost of used cars."

Some are less bullish, however.

Among other optimistic observations concerning the business outlook in 1987-'88 are these:

An Orlando, Fla., service manager: "The national economic trend does not appear to have changed much in the last 16 months. I see nothing to change that, and feel our position will improve because of positive steps to improve customer relations."

A service manager in southeastern Pennsylvania: "New models with electronics will be more appealing to the public, and service at the dealer level will be necessary. As cars become more complex, owners are almost forced to return to the dealership. A longer warranty and better guarantees insure customer return."

COVER STORY

Continued from page E2

year is below that indicated in 1985 (61.5 percent) and 1984 (69.4 percent).

Leading the list of purchases this year will be tune-up equipment, as indicated by 30.9 percent of the service managers, an all-time high for any equipment group in the history of the survey.

Other types of equipment indicated as showing sales increases this year are those used for wheel balancing, brakes, transmissions, engine overhaul and refinishing. Heading for a decline are sales of equipment used for wheel alignment and frame-body straightening.

A number of trends relative to service department operations are noted in the 1987 survey.

For one, their departments are working more hours per day, according to service managers.

Only 11.1 percent said they are operating fewer than 45 hours a week this year, down from 18.0 and 18.6 percent the previous two years. Also showing a decline this year (54.2 percent compared to 60.0 percent last year) are shops operating 45 to 50 hours a week.

In contrast, those open 51 to 55 hours, 56 to 60 hours and more than 60 hours, as a group, were reported by 34.7 percent of those surveyed, up from 22.0 percent a year ago.

Meantime, a trend to so-called megadealerships in the United States does not appear to be accompanied by a move to mega-service operations.

Those with fewer than 30 employees were cited by a record 86.2 percent of service managers surveyed, while those with more than 30 employees (13.8 percent) continued a three-year decline (18.0 percent in 1986 and 30.0 percent in 1985).

As for the most-profitable service operations in 1987, more than half (50.7 percent) of those surveyed — a five-year high — indicated tune-ups as their biggest profit-generator.

The only activity to register a decline as most-profitable service operation this year is "engine overhaul" (10.1 percent).

Meantime, new-car warranty work continued at the same pace as a profit contributor, 40.3 percent of those surveyed saying it is a "significant" factor in profitability, compared to 40.8 percent in 1986.

Extended service contracts went upward for the third year in a row as a solid profit contributor, 34.3 percent of those surveyed calling them "significant" this year, up from 27.0 percent in 1986, 17.1 percent in 1985 and 8.6 percent in 1984.

As for service managers themselves, the profile of "Mr. Typical," as indicated by the 1987 survey, is: 35 to 39 years old, eight to 11 years of experience as a service manger, was a mechanic just prior to becoming a service manager, and was paid more than $50,000 last year (mainly salary plus incentives).

A record 21.1 percent indicated their compensation in 1986 topped $50,000.

Of those surveyed, exactly 50 percent said they believe the salaries and benefits they received in 1986 were commensurate with their experience. ■

Statistics for this story were compiled by Stacey LoPrete.

Automotive News Survey of Dealer Service Managers

Note: Figures indicate percent of total responses for each question, each year; in some cases, totals add to more than 100 percent because of multiple responses to a question.

Question 1: What do you consider the business outlook to be for the automobile market in general and your dealership specifically for the next two years?

Automobile Market	1987	1986	1985	1984	1983
Improve	50.0	61.2	64.9	89.7	89.1
Same	27.9	32.6	25.7	7.6	8.6
Worse	22.1	6.2	9.4	2.7	2.3
Dealership	**1987**	**1986**	**1985**	**1984**	**1983**
Improve	74.3	88.0	86.9	92.1	86.6
Same	20.0	8.0	10.2	5.3	10.5
Worse	5.7	4.0	2.9	2.6	2.9

Question 2: Do you as a service manager feel your service department offers the potential for increased profits in the future?

	1987	1986	1985	1984	1983
Yes	94.4	98.0	98.6	97.2	96.1
No	5.6	2.0	1.4	2.8	3.9

Question 3: Do you feel your dealership management believes the service department offers the potential for increased profits in the future?

	1987	1986	1985	1984	1983
Yes	90.0	96.0	97.1	94.4	95.2
No	10.0	4.0	2.9	5.6	4.8

Question 4: Do you as a service manager believe your dealership is spending enough on advertising and promotion to improve your service business?

	1987	1986	1985	1984	1983
Yes	62.5	74.0	72.3	74.3	66.4
No	37.5	26.0	27.7	25.7	33.6

Question 5: Who hires the mechanics in your service department?

	1987	1986	1985	1984	1983
Dealership owner	18.1	15.5	15.7	17.8	12.3
Dealership manager	2.7	2.9	5.7	6.7	6.2
Service manager	91.7	88.9	87.6	85.7	85.1

Question 6: When your dealership buys new service equipment, are you involved?

	1987	1986	1985	1984	1983
Yes	100.0	100.0	100.0	97.2	98.4
No	0.0	0.0	0.0	2.8	1.6

Question 7: Which statement below best describes your involvement in buying new service equipment?

	1987	1986	1985	1984	1983
Original purchase request	53.5	62.0	62.9	39.9	38.1
Approve make selected	39.4	48.0	38.6	24.3	24.0
Negotiate terms	19.7	28.0	22.9	3.7	5.4
Give advice on needs	42.2	58.0	37.1	53.5	57.7

Question 8: Does your dealership plan to buy any new service equipment this year?

	1987	1986	1985	1984	1983
Yes	59.2	55.0	61.5	69.4	—
No	40.8	45.0	38.5	30.6	—

Question 9: What type of service equipment does your dealership plan to buy this year?

	1987	1986	1985	1984
Tune-up	30.9	24.5	21.4	27.7
Wheel alignment	21.4	26.4	18.6	21.3
Wheel balance	14.3	11.8	10.0	14.9
Brakes	11.9	7.1	5.6	10.6
Transmissions	9.5	2.9	1.8	4.3
Engine overhaul	9.5	3.7	2.9	2.1
Refinishing	9.5	1.8	—	—
Frame-body straightening	7.1	10.8	10.0	12.8
Other	40.5	30.0	29.7	26.3

Question 10: Are new model cars more profitable to service than those of previous years?

	1987	1986	1985	1984	1983
Yes	12.5	13.7	11.4	11.8	14.6
No	40.3	50.9	54.3	52.9	67.4
Same	47.2	35.4	34.3	35.3	18.0

Question 11: How many hours per week is your service department open?

	1987	1986	1985	1984	1983
Less than 45 hours	11.1	18.0	18.6	11.1	23.5
45 to 50 hours	54.2	60.0	38.6	47.2	40.7
51 to 55 hours	20.8	14.0	27.1	19.4	19.5
56 to 60 hours	9.7	6.0	11.4	8.3	9.3
More than 60 hours	4.2	2.0	4.3	14.0	7.0

Question 12: How many employees are there in your service department including parts and service personnel?

Number of employees	1987	1986	1985	1984	1983
1 to 10	25.0	28.0	25.7	33.3	27.4
11 to 20	27.8	18.0	28.6	27.8	25.7
21 to 30	33.4	36.0	15.7	13.9	19.5
31 to 40	6.9	8.0	17.1	11.1	13.3
More than 40	6.9	10.0	12.9	13.9	14.1

Question 13: What is your most profitable service operation?

	1987	1986	1985	1984	1983
Tune-ups	50.7	24.0	40.3	39.8	39.1
Brakes	34.8	25.3	20.4	25.6	23.5
Transmissions	15.9	6.6	10.4	8.4	10.3
Wheel alignment	14.5	6.6	9.0	11.3	8.5
Body shop	11.6	9.3	6.1	7.7	5.9
Engine overhaul	10.1	13.3	3.3	1.8	4.4
Wheel balance	8.7	4.0	1.8	2.7	3.0
Other	13.0	10.6	8.7	2.7	5.3

Question 14: How much do the following contribute to your service profits?

1987	Significantly	Some	None
New car warranty work	40.3	54.2	5.5
Extended service contracts	34.3	62.9	2.8
1986	**Significantly**	**Some**	**None**
New car warranty work	40.8	48.9	10.2
Extended service contracts	27.0	66.6	6.4
1985	**Significantly**	**Some**	**None**
New car warranty work	44.3	48.6	7.1
Extended service contracts	17.1	67.3	15.6
1984	**Significantly**	**Some**	**None**
New car warranty work	48.8	43.9	7.3
Extended service contracts	8.6	74.3	17.1
1983	**Significantly**	**Some**	**None**
New car warranty work	38.2	52.3	9.5
Extended service contracts	23.4	60.9	15.7

Question 15: What is your age?

	1987	1986	1985	1984	1983
18 to 24	2.9	4.0	0.0	0.0	0.7
25 to 29	9.7	16.0	15.7	9.8	8.5
30 to 34	15.3	16.0	11.4	19.5	13.3
35 to 39	26.4	26.0	18.6	29.3	22.8
40 to 44	20.8	16.0	22.9	7.3	19.8
45 to 49	8.3	10.0	12.9	4.9	10.9
50 to 54	6.9	2.0	11.4	12.2	14.1
55 to 59	6.9	4.0	4.3	14.6	7.8
60 to 64	1.4	6.0	2.8	2.4	2.3
65 or over	1.4	—	—	—	—

Question 16: Before becoming service manager at your present or any other dealership, what job did you have?

	1987	1986	1985	1984	1983
Write-up man	30.6	24.6	31.4	24.4	16.9
Mechanic	43.4	43.4	37.2	44.1	38.1
Parts manager	7.3	8.6	5.7	9.8	12.2
Other	18.7	23.4	25.7	21.7	32.8

Question 17: How many years have you been a service manager (including time as service manager at previous dealerships)?

Number of years	1987	1986	1985	1984	1983
1 to 3	20.8	19.6	22.9	22.9	20.3
4 to 7	19.4	33.3	21.4	26.6	21.6
8 to 11	26.4	17.6	15.7	11.4	15.6
12 to 15	13.9	5.8	12.9	15.7	14.1
16 to 19	8.4	9.8	11.4	9.2	10.1
20 or more	11.1	13.9	15.7	14.2	18.3

Question 18: What was your total compensation last year for being a service manager?

	1987	1986	1985	1984	1983
Less than $15,000	2.7	4.1	2.9	2.7	3.1
$15,001 to $19,999	11.3	4.1	10.0	8.1	14.0
$20,000 to $24,999	14.1	18.7	14.3	16.2	15.6
$25,000 to $29,999	7.0	10.4	24.1	27.0	22.1
$30,000 to $34,999	9.9	8.3	11.4	13.5	12.5
$35,000 to $39,999	12.7	20.8	10.1	10.8	14.8
$40,000 to $44,999	11.3	14.5	8.7	6.8	3.9
$45,000 to $49,999	9.9	6.2	10.2	9.5	5.5
$50,000 or more	21.1	12.5	8.3	5.4	8.5

Question 19: What was your total compensation for being a service manager based on?

	1987	1986	1985	1984	1983
Salary only	15.3	9.4	8.6	11.8	14.1
Salary + overtime	—	1.8	1.9	2.9	2.3
Salary + bonus	31.9	26.7	38.6	41.2	29.7
Salary + incentive	41.7	43.6	45.2	35.3	42.2
Salary + stock	1.4	—	—	—	—
Salary + other	9.7	18.5	5.7	8.8	11.7

Question 20: Do you believe your salary and benefits are commensurate with your experience?

	1987	1986	1985	1984	1983
Yes	50.0	48.9	54.2	63.6	59.7
No	50.0	51.1	45.8	36.4	40.3

FEATURE

The underhood revolution

Can service equipment makers stay in step with technology?

American automakers expect the value of electronics in the average new car to reach $1,400 in 1990 from $25 in 1970 and $900 in 1985. What will this mean to the automotive service industry?

Anthony J. Zack, vice president of sales and marketing, Sun Electric Corp., Crystal Lake, Ill., answers that and other service-related questions. Sun primarily is engaged in the design, manufacture and marketing of diagnostic, test and service equipment for the motor-vehicle service industry and motor vehicle manufacturers in more than 100 countries.

■ Mr. Zack, automakers are predicting giant strides in electronic content in cars in the next three years. How does the service-equipment industry view that?

There's a quiet but significant revolution going on under the hood. Elements of the revolution don't seem to get their share of popular attention because many of them are inventions born of necessities to meet government-mandated fuel and emission requirements.

■ Could you cite an example?

Take distributorless engines. There aren't too many around yet; only about one new car in 10 in the U.S. had one last year. Next year we expect the ratio to climb to better than one in three. By 1990 almost two out of every three new cars built will have distributorless ignition systems. That's fast and pervasive. It's also good, because distributorless engines burn fuel more efficiently, boosting fuel economy and lowering emissions.

■ Why do you call this a quiet revolution?

Have you seen many ads incorporating this as a feature? I haven't, and I understand why.

Anthony J. Zack, vice president sales and marketing, Sun Electric Corp.

Buying your next car because it *doesn't* have something — in this case, a distributor — isn't a very compelling reason, is it?

■ So what does that mean to the car-service industry?

Just that service shops can't work on distributorless ignition in the same way they do conventional systems. You can't — or, at least, shouldn't — take those cars just anywhere for service. Yet few owners have even a clue that their cars' engines are distributorless.

■ What growth are you projecting for on-board computers?

Back in 1984, one-quarter of all cars on U.S. roads had them. This year that will climb to almost one-half. By 1990 the car without an on-board computer managing its engine will be on the endangered species list. To most of the automotive world, I guess, on-board computers have become rather *passe*. That's probably true with car owners, as well.

■ Has the service industry had any problems with on-board computers?

There was concern about how those black boxes would be handled — and mishandled — in service facilities. But life goes on, and everyone finds newer things to worry about. The problem is there's no standardization among automakers, and as each sends out cars with more variations of their individual on-board systems, the potential for service confusion grows.

■ Are there any other elements in the quiet revolution?

The least quiet of all, actually, and not entirely limited to under-the-hood, is anti-skid brake systems. Right now they're fairly limited in use to top-of-the-line luxury cars. We've pegged them currently at just 2 percent of the world new-car market. But we think they'll be in 41 percent of all new cars in about three years. Again, we're talking major technological change.

It may sound like these changes are unrelated — one deals with brakes, one with engines, one's computer-like. But there's a common thread running through them. They all involve electronics, and that's why electronic content is going through the roof.

■ What does this mean to the auto-service business?

As one Sun engineer remarked, "The new cars make TV technicians feel more at home under the hood than they do most automotive service personnel." What's more, surveys of automotive service-personnel skills invariably conclude that electronics is the least-developed skill of all.

■ Does this mean we're in big trouble?

No, emphatically. The answers to these automobile changes I've cited are being developed right alongside the changes themselves. For example, a Sun Adaptor was devised in 1986 to bring the technician up-to-speed on testing and repairing distributorless-engine systems. It's called the D.I. Link. It measures power and "wasted" stroke spark to determine how well the engine is doing its job. "Wasted" stroke readings are a new concept that helps even a less-than-aver-

Continued on page E26

Now, System D111 . . . like an alignment instructor in your shop.

The new D111 is the only system on the market with built-in vehicle specifications, step-by-step instructions, and vehicle adjustment graphics.

Now, anyone can be an alignment expert, because the System D111 shows you how.

- Alignment information is displayed on a 19-inch, color CRT screen. Instructions and graphics on the screen guide you through the alignment process.
- The system stores alignment specifications for over 95% of the cars sold in the U.S. in the past 10 years. That's approximately 900 listings.
- Specifications are recalled and displayed in a matter of seconds. No paging through a bar-code book or fumbling with a special pen.
- The system automatically compares the vehicle specifications to the actual condition of the car, and displays the results on the CRT screen.
- During vehicle adjustment procedures, illustrations and instructions on the CRT show how to make adjustments on the car, just like a service manual.
- A wireless remote control lets you operate the unit from anywhere in the alignment bay.
- A pre-alignment check list, helps merchandise your under-car services.
- An 8½ x 11 sheet-size printer provides a hard copy of the pre-alignment check and the alignment results.

These, and a host of other features, combine to make the new System D111 the most advanced system on the market today.

HUNTER engineering company

Praising the paperless office

Dealer parts department tests new electronic parts catalog

"Something had to be done about the sea of paper we were in, and we wanted to be the first."

That's why Chuck Hutton Chevrolet, in Memphis, Tenn., is one of the first General Motors dealers testing a new Bell & Howell electronic parts catalog system that eliminates the need for printed catalogs.

"The sheer size of paper (catalogs) is a major problem in our department," says Harry Bogard, manager of an $18-million department selling parts for all makes of GM cars and light trucks.

Bogard agreed to test the new system because it stores on very small optical and magnetic disks all the catalog information his 100-person staff needs, and does away with printed catalogs.

Called the IDB2000 (for image data base), the system allows clerks to call onto a screen all the detailed diagrams, photos, illustrations and exploded views that are printed in book form, plus related numerical information.

A single "personal computer-sized" workstation allows instant access to pictorial and numerical information for every GM car and light truck built in the last 10 years. In printed form this much information takes 16 running feet of counter space.

At Hutton Chevrolet, pairs of clerks at standard desks used to share one set of Chevy catalogs and an order computer. They had to leave their desks to look up parts in catalogs for other makes, wasting time. Bogard's goal was "to reduce all this paper and put everything needed at every desk."

Last January, all parts for a decade of GM makes and models were put on the electronic system.

A three-workstation IDB2000 system began test in June 1986 with parts for 1982-'86 Chevrolets and Oldsmobiles. Bogard says access to just the test catalog information "was an advantage to us."

He says he would like to have one workstation for every salesperson, but he started in March with the first production models in a 12-workstation system, and will work toward expansion.

Two of the test workstations were at the retail sales counter and one was at a phone desk. Two of the salespeople using them had only 12-18 months of parts experience; the third had worked in parts for 35 years. Each "adapted well" to the system, Bogard says.

Bogard says training on the system is faster and easier than paper catalogs, taking his people only two months to become "very proficient."

They learned the system using its touch screen, a feature which provides new users with "helps" in illustrated menus.

Users actually touch logos on the screen to make selections. Touching a part illustration, for example, retrieves its name and number in less than a second.

The touch screen is also helpful since illustration clarity is "very good," says Bogard, "and some customers like explaining what they need by looking at the diagrams and touching the screen."

Yet, early in their training, says Bogard, Hutton people started switching to the system's keyboard to find parts, because it's faster.

Bogard also likes the message feature, which alerts users to special bulletins. Some parts, for instance, are available only in kits, says Bogard, and the bulletins save time by calling special attention to these details.

The system communicates part numbers directly to the dealership's order-management computer system, saving time and reducing errors that sometimes occur during manual transfers.

Bogard believes the system will increase his parts sales and reduce costs, with 25 percent potential time savings for a trained user working with the entire GM parts line.

"Electronic look-ups are the way it's going to be. Might as well get used to it," Bogard says. "A couple years from now it will be such an accepted product that paper will go by the wayside." ■

REVOLUTION

Continued from page E24

age serviceman learn what is or isn't happening with a distributorless engine.

As for on-board computer-system proliferation, we've devised a software-intensive repair tool, called Test Link, that uses floppy disks to interface and converse with the various systems and each of their variations. Repairs that on-board systems require are amazingly simple if and when you know where to look. Usually it's something like replacing a sensor or reconnecting a wire.

But the on-board computer is just one of the advanced and exotic electronic components being built into cars today. There are a dozen systems in production today, above and beyond commonplace electronic controls such as power windows, doors and locks. These include automatic climate control, headlight delay system, keyless entry and illumination system, electronic message center, entertainment system with electronic stereo search, electronic instrument cluster, non-volatile memory module, automatic-dim day-night rearview mirror, electronic anti-theft system, air suspension and level control system, and anti-skid brake system.

■ That's quite a load for a car's electrical system.

But there's new service equipment to deal with it. It's called VAT-60. VAT is short for volt-amp tester, and it's intelligent, providing its own good-bad judgments on the condition of the car's battery, starting system and charging system. It can also do pinpoint tests on the various electronic components, providing information on their condition based on standard electrical specifications. It has a microprocessor brain that's programmed to reject improper testing procedures, such as not achieving the proper engine speed to conduct a valid test, or not holding that speed for a sufficient amount of time. It will also not permit skipping of test procedures. It's an example of how new, sophisticated technology is being matched by sophisticated testing tools that can be operated by technicians of average and below-average skills, and can still be counted upon to find the correct repair answers.

■ What about servicing anti-skid brake systems?

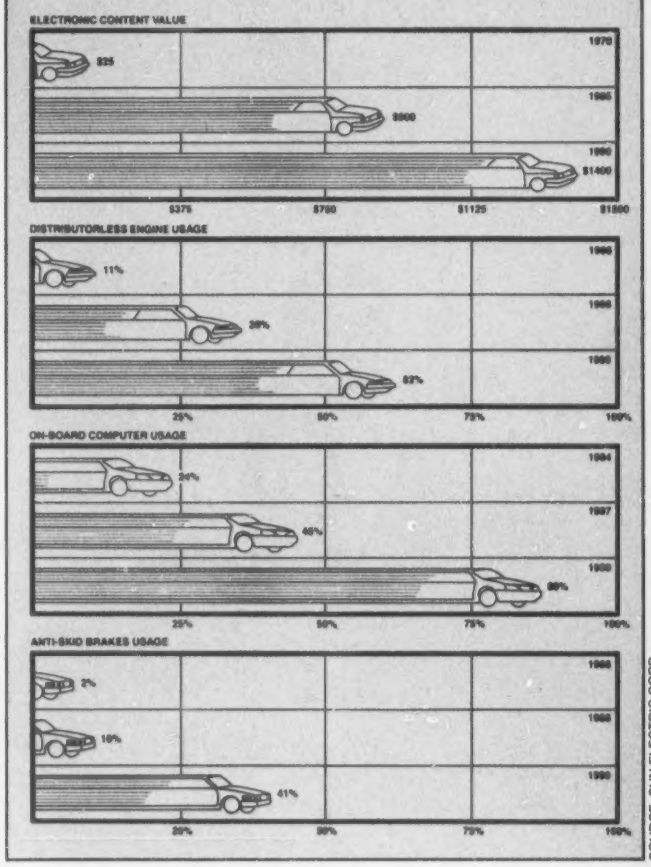
We believe we have another service answer of significance, and now under development. ABS looks like it will best be tested dynamically, rather than in the static manner that's generally proved satisfactory in this country for conventional brake systems. We've been building a computerized dynamic tester in Europe for some time already, and we're writing software to enable it to put anti-skid systems through their most revealing paces.

■ What's coming down the road?

Our latest piece of equipment, the Sun MCA, was introduced in January. It will test a car in any fashion its operator chooses — by symptoms, engine systems, even by what we call "rapid test," which can produce preliminary diagnostics in as little as two minutes. Imagine telling a car owner what the trouble is in just two minutes.

The MCA does pointed-results printouts and expansive explanations of the situation for the motorist. Car-owner printouts are so complete they even project what to expect regarding improvements upon completion of prescribed repairs. It examines every engine from more than 40 individual parameters stored on a disk. The disk carries all those limits and all the associated diagnostic messages for virtually every car model built in the U.S. in the last 20 years. ■

EMERGING TRENDS IN AUTOMOTIVE TECHNOLOGY



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AUCTION DATES

American Motors

June 23 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

June 24 — Columbus Fair Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

June 25 — Todd Auto Auction, Telford, Pa., and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

June 23 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

June 24 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

June 25 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

June 23 — South Seattle Auto Auction, Kent, Wash.

June 24 — Columbus Fair Auto Auction, Obetz, Ohio, and Clanton's Auto Auction, Darlington, S.C.

Used Car Sales
Auction Averages

June to date	$5,876
Month ago	$5,877
Year ago	$5,172

Model Breakdown
Auction Averages

	JUN 1987	MAY 1987	APR 1987
1987	$11,280	$11,046	$13,266
1986	$9,185	$9,287	$9,460
1985	$7,177	$7,194	$7,236
1984	$5,715	$5,718	$5,732
1983	$4,859	$4,873	$4,842
1982	$3,676	$3,705	$3,727
1981	$2,670	$2,705	$2,635
1980	$2,109	$2,141	$2,170
Overall Average	$5,876	$5,871	$5,832

General Motors

June 23 — Harrisonburg Auto Auction, Harrisonburg, Va.

June 24 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction, Kansas City, Mo.; Northstar Auto Auction, Shakopee, Minn.; West Palm Beach Auto Auction, West Palm Beach, Fla.; and Golden Gate Auto Auction, Fremont, Calif.

Tax change brings no lease boom

Business growing, but retail incentives make buying attractive

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The boom in vehicle leasing that was predicted as a result of changes in the U.S. tax code has yet to materialize.

A number of leasing industry sources reported that growth is continuing among both fleet and retail customers, but industry representatives indicate that the slow market for new cars is dampening what many had expected to be a great year for leasing.

Leasing managers for Ford Motor Credit and Toyota Motor Sales U.S.A. said retail incentive programs seem to be steering consumers away from leasing.

On the fleet side, major lessors such as Petersen, Howell & Heather Inc. and Gelco Corp. report continued growth in business, but no radical upturn.

The vehicle leasing industry was very optimistic when President Reagan signed an overhaul of the U.S. tax system last year. Groups like the American Automotive Leasing Association predicted a boom.

AALA and others argued that the phased-out elimination of consumer interest deductions, coupled with the loss of the sales tax deduction, would make leasing more attractive to car buyers.

That may still happen, according to Don Esmond, Toyota's fleet and truck manager, but "it is too early to tell."

"Low APR (annual percentage rate) programs are diverting some customers from leasing," he said. As for fleets, "We are having success with some of the large leasing companies that are writing leases for corporations."

Overall, "Our leasing is not down, but it has not gone up radically either," he said.

The situation is the same at Ford Motor Credit Co. Cliff Damaska, retail lease manager, said, "It is almost impossible to assess what impact the tax changes are having on leasing. Low-interest financing is bringing customers into the dealership and they want to take adavntage of those programs.

"Interest in leasing has increased and will continue to increase," he said, but for now "if a customer reads those ads, he wants the incentives."

Damaska said there are absolute advantages to leasing, especially for businesses. What is needed, he said, is for customers to look at the retail programs and leasing and then compare the advantages. "Right now, it is still a discussion that must be begun by the dealer rather than the customer," he said.

Andrew Strauss, president of LMV Leasing Inc., said changes in the tax code have generated "a great deal of interest in leasing as companies re-evaluate leasing vs. buying." Strauss said he expects that interest to result in an extremely hectic fourth quarter, since most fleets place orders for new vehicles in the fall.

Strauss said LMV believes consumer leasing will continue to increase as the deduction for consumer interest is phased out. It ends in 1991. Until the loss of that deduction hits home, consumers will continue to view leasing as a way to afford a vehicle rather than as a tax move, Strauss said.

Petersen, Howell & Heather reported expanded interest in leasing.

Donna Startel, vice president of communications and marketing support, said, "Changes in the tax laws have eliminated some of the rationale for ownership, especially among employee-owned fleets." The loss of the interest deduction is an important change for employee-owned fleets to consider, she said.

"I don't know if it is just PH&H, but the industry seems to be doing more leasing business. We have had no experience going the opposite direction, moving from leasing to buying," Startel said.

Consumer leasing is doing "very, very well," she said.

Gelco Corp. has done well during the last six months, according to Elin Schomaker, vice president of communications. "New-order activity is up and reaching record levels," Schomaker said. She said Gelco believes the tax law has had a real positive effect on orders.

Security Pacific Credit Corp., of Woodland Hills, Calif., the nation's largest bank in vehicle leasing, reported that leasing activity is down. According to Daryl Smith, senior vice president of credit, "Dealers don't seem to be pushing (leasing) right now."

Smith said that as an industry leader, Security Pacific is moving toward more conservative leasing terms. "Although we no longer have some of the large tax incentives like accelerated cost recovery and investment tax credit, much of the industry seems to be operating as though they still exist," he said.

He added, "Logic says that can't continue."

Smith said banks and leasing companies will have to adjust their leasing packages to the new tax environment and that could actually dampen leasing activity, depending upon how the packages are structured.

Rental giants poised for surge in profits

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Control of Hertz Corp., the world's largest car-rental company, is up for grabs just as profits and stability have begun to return to the industry.

The ownership of Hertz is in question because of a shakeup in the management of its parent Allegis Corp. earlier this month. It follows widespread changes in the car-rental business during the past two years.

As a result of the changes, all rental companies are generally leaner and more prosperous than they were two or three years ago, according to Fred Mudgett, president of Fred A. Mudgett & Associates Inc., a leading car rental consulting firm.

Mudgett said rental volume has been growing about 10 percent a year for the past several years and that the trend will continue.

He said two factors are fueling the growth. "Deregulation of airlines has put in the air an awful lot of people who need vehicles," he said. And the aging of the baby-boom generation has created a "tremendous increase in the age group that has to have a car everywhere they go."

According to Mudgett, the industry can look forward to revenue growth of nearly 15 percent in 1987. That follows a gain of about 10 percent in 1986.

"The years 1984 and 1985 were very bad because the industry was in a very, very competitive fight," Mudgett said. "The majors didn't increase rates, and in some cases rates went down."

That happened while costs were going up because of unfavorable car depreciation and a dramatic increase in insurance rates.

Mudgett said that in 1986, the car-rental companies "finally got the message that they had to produce profit, and rates started to work up."

"The industry ought to feel the whole effect of higher rates on their bottom lines in 1987," he added.

Mudgett said poor profitability was the primary reason for a number of ownership changes in the industry during the past two years. Hertz Corp., Avis, National Car Rental System, Budget Rent A Car Corp. and American International Rent A Car Corp. all changed hands.

Sources close to Hertz say management is exploring a buyout and that Allegis may be receptive to the plan. The new chief executive officer of Allegis is former Hertz Chairman Frank A. Olson. Allegis bought Hertz from RCA Corp. in June 1985.

Olson took over as CEO of Allegis two weeks ago after the company's board of directors approved a plan whereby Hertz and other Allegis subsidiaries will be sold. Allegis intends to concentrate on its core business, United Airlines. Adoption of the plan caused the resignation of Allegis chairman Richard J. Ferris, who was responsible for the purchase of Hertz.

Hertz had estimated revenue of $1.02 billion in 1986 and a U.S. fleet of approximately 150,000 vehicles. In 1986, Hertz controlled an estimated 32 percent of daily on-airport car rentals in the United States, according to Automotive Fleet magazine. Hertz has an estimated 350,000 vehicles world-wide.

Avis was purchased by Wesray Capital Corp. in July 1986. Avis is the second largest car-rental company with 125,000 vehicles in the United States and 25 percent of the market for daily on-airport rentals. Avis had estimated revenue of $850 million in 1986.

National Car Rental System was purchased from Household International last December by an investment group led by Paine Webber Inc. National is the third largest car-rental company with 110,000 vehicles in the United States and 21 percent of on-airport daily rentals. National had estimated revenue of $650 million in 1986.

Last September, TransAmerica Corp. sold Budget to a consortium headed by the investment firm Gibbons, Green and VanAmerongen and Budget's top management. Budget is the fourth largest cart-rental company with 100,000 vehicles in the United States and 18 percent of daily on-airport rentals. Budget had estimated revenue of $650 million last year.

American International Rent A Car Corp. was purchased by Abbey North Corp., of Boston, in May of this year. American International has 12,000 vehicles and ranks 12 in number of vehicles operated. The company had estimated revenue of $62 million in 1986.

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WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

PRODUCTION

Car output trailing '86

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled domestic auto output increased over the prior week's build, but the weekly totals have been trailing the 1986 figures during the second quarter.

The reason for the lag is plant downtime because of slow sales and long model changeovers.

Automakers targeted 152,485 units last week, 3.54 percent more than the previous week's 147,277 but 15.36 percent below the year-ago week's 180,166.

So far this year, 3,717,565 cars have been assembled, 8.82 percent below the 4,077,381 completed last year at this point.

Last week's estimated output was shared as follows: General Motors, 49.83 percent; Ford Motor Co., 25.29 percent; Chrysler Motors, 14.99 percent; Honda of America Manufacturing Inc., 4.19 percent; New United Motor Manufacturing Inc., 2.46 percent; Nissan Motor Manufacturing Co. U.S.A., 1.93 percent; and Volkswagen of America, 1.31 percent.

As announced earlier, American Motors has ended production of 1987 Alliance models.

GM announced it will reduce its line rate by five units per hour at its Janesville, Wis., plant, effective Aug. 11. The reduction affects 350 workers. The Janesville plant assembles the Cadillac Cimarron and Chevrolet Cavalier.

On Aug. 24, GM will reduce line speeds at its Lordstown, Ohio, plant by six cars per hour and will lay off about 500 workers. The plant produces the Chevrolet Cavalier and Pontiac Sunbird.

GM's Oklahoma City plant is idle this week (June 22) for inventory adjustment, resulting in the layoff of 5,500 workers. Output is expected to resume June 29.

GM's Willow Run, Mich., plant resumed production today. It had been down one week for inventory adjustment.

As previously reported, Chrysler's Belvidere, Ill., plant is down for model changeover.

Ford slated Saturday overtime last Saturday at its Norfolk, Va., plant.

All Ford plants are scheduled for daily overtime this week.

Chrysler's St. Louis (No. 1 and 2), and Sterling Heights, Mich., plants were slated for Saturday overtime.

Week's truck production slips

Domestic truckmakers' scheduled production of 74,603 units last week, 1.04 percent below the previous week's 75,389 and 1.67 percent below the year-ago week's 75,871.

Year-to-date, 1,813,096 trucks have been assembled, 2.00 percent more than the 1,777,561 built last year at this time.

General Motors slated overtime last Saturday at three plants: Baltimore; Detroit; and Pontiac, Mich.

All Ford Motor Co. plants except Wayne, Mich., are scheduled for daily overtime this week. Wayne is idle for model changeover.

Canada assembles 400,000th car

Canadian automaker's built their 400,000th car of the year last Friday, 48 days behind 1986.

So far this year, 400,183 cars have been assembled, 29.46 percent below the 567,325 completed last year at this point.

Last week's targeted auto production totaled 18,318, 1.12 percent more than the previous week's 18,115 but 28.87 percent below the year-ago week's 25,753.

Truckmakers estimated last week's output at 18,537 units, 1.70 percent more than the prior week's 18,228 but 6.41 percent below the year-ago week's 19,807.

CANADIAN CAR	Week Ended June 20, 1987	Week Ended June 21, 1986	Week Ended June 13, 1987	June to Date	Jan. 1 to June 21, 1986	Jan. 1 to June 20, 1987
AMERICAN MOTORS	100	0	107	207	2,405	2,663
FORD MOTOR	10,857	11,209	11,079	33,345	272,812	257,883
GENERAL MOTORS	6,736	14,319	6,336	19,067	286,782	131,177
HONDA	400	0	368	1,060	0	3,175
VOLVO	225	225	225	675	5,326	5,085
Total Cars, Canada	18,318	25,753	18,115	54,354	567,325	400,183

U.S. TRUCK☆	Week Ended June 20, 1987	Week Ended June 21, 1986	Week Ended June 13, 1987	June to Date	Jan. 1 to June 21, 1986	Jan. 1 to June 20, 1987
CHEVROLET	21,037	22,337	19,578	61,069	509,440	531,286
DODGE	4,700	4,000	7,706	19,275	30,141	127,500
FORD	30,248	30,744	30,312	92,404	724,642	731,931
GMC	7,900	7,390	7,482	23,285	177,403	182,218
NAVISTAR	1,678	1,630	1,667	5,009	37,173	36,839
JEEP	4,500	3,600	4,094	13,371	91,932	104,382
NISSAN	1,790	3,820	1,796	5,364	60,506	40,490
AM GENERAL*	450	50	450	1,350	1,222	5,550
MISCELLANEOUS*	2,300	2,300	2,300	6,900	55,100	52,900
Total Trucks, U.S.	74,603	75,871	75,389	228,027	1,777,561	1,813,096

CANADIAN TRUCK	Week Ended June 20, 1987	Week Ended June 21, 1986	Week Ended June 13, 1987	June to Date	Jan. 1 to June 21, 1986	Jan. 1 to June 20, 1987
AMERICAN MOTORS	775	885	784	2,323	12,382	15,937
CHRYSLER	8,494	8,833	8,625	25,822	210,506	199,968
FORD	3,648	3,648	3,510	10,242	86,461	76,240
GENERAL MOTORS	5,385	6,241	5,087	15,413	144,557	100,675
NAVISTAR	225	200	222	672	4,695	4,697
Total Trks., Canada	18,537	19,807	18,228	54,272	458,601	397,585
N. Am. Trucks	93,140	95,678	93,617	282,299	2,236,362	2,210,681

U.S. CAR	Week Ended June 20, 1987	Week Ended June 21, 1986	Week Ended June 13, 1987	June to Date	Jan. 1 to June 21, 1986	Jan. 1 to June 20, 1987
AMERICAN MOTORS	0	2,268	0	673	28,327	15,539
Renault Total	0	2,268	0	673	28,237	15,539
Alliance	0	2,043	0	673	25,086	15,539
Encore	0	225	0	0	3,241	0
CHRYSLER MOTORS	22,850	31,040	21,190	68,611	687,567	562,206
Plymouth Total	5,550	10,687	5,562	17,128	204,453	172,439
Horizon	0	4,798	0	0	79,908	32,997
Sundance	2,000	455	1,794	5,777	667	51,095
Reliant	2,500	3,990	2,823	7,826	88,439	59,030
Caravelle	1,000	866	1,039	3,135	26,363	27,165
Gran Fury	50	780	126	390	9,076	2,152
Chrysler Total	9,100	8,608	8,057	28,798	226,051	163,802
Laser	0	774	0	0	24,782	0
LeBaron K	1,500	1,598	1,690	5,135	58,201	41,605
LeBaron J	4,000	0	2,497	9,822	0	58,220
LeBaron GTS	1,100	1,903	934	3,103	32,926	21,442
N. Yorker/E-Class	1,600	1,513	1,730	4,957	44,170	42,008
Fifth Avenue	900	2,820	1,206	3,782	65,990	20,527
Dodge Total	8,200	11,545	7,551	24,684	257,063	205,965
Daytona	2,000	1,067	1,242	4,918	26,535	28,603
Omni	0	2,372	0	0	75,453	28,363
Shadow	2,300	392	2,199	6,833	670	51,769
Aries	2,000	3,589	2,175	6,966	66,778	55,660
Dodge 600	1,000	1,717	1,009	3,046	41,951	24,293
Lancer	600	1,116	544	1,788	28,123	13,495
Diplomat	300	972	382	1,133	17,553	3,782
FORD MOTOR	38,559	39,404	39,928	119,153	904,025	959,599
Ford Division	27,924	28,774	28,979	86,418	617,171	675,202
Escort	8,170	7,994	8,768	25,989	195,996	183,113
Mustang	4,615	3,707	4,527	13,669	97,125	105,974
Tempo	3,497	4,156	3,964	11,255	101,389	94,170
Taurus	7,993	7,873	7,981	23,932	140,749	210,770
Thunderbird	3,649	3,054	3,739	11,523	81,910	81,175
L-M Division	10,635	12,630	10,949	32,735	286,854	284,397
Mercury Total	6,583	8,940	6,910	20,544	196,589	193,956
Lynx	229	1,466	218	668	32,675	19,786
Capri	0	835	0	0	8,560	0
Topaz	1,338	1,274	1,553	4,354	30,549	31,070
Cougar	2,435	3,088	2,509	7,683	82,558	76,249
Sable	2,581	2,297	2,630	7,839	62,247	66,851
Lincoln Total	4,052	3,690	4,039	12,191	90,265	90,441
Continental	458	408	404	1,273	10,180	9,104
Lincoln	3,042	2,768	3,030	9,146	67,709	67,835
Mark VII	552	514	605	1,772	12,376	13,502
GENERAL MOTORS	75,996	97,940	70,610	221,363	2,211,384	1,825,079
Buick Total	13,711	18,602	10,510	35,613	385,717	288,874
Skyhawk	415	1,960	296	996	43,578	15,241
Century	3,888	4,973	1,583	9,399	123,801	89,339
Regal	952	2,221	897	2,877	32,160	22,384
Somerset/Skylark	1,140	3,261	1,180	3,493	53,291	35,449
LeSabre (fwd)	4,550	3,761	3,814	13,075	63,185	64,461
LeSabre (rwd)	125	349	66	239	7,203	5,143
Electra (fwd)	2,400	1,384	2,409	4,809	50,118	48,673
Riviera	241	693	265	725	12,401	7,984
Cadillac Total	5,365	8,462	5,462	16,271	168,069	146,375
Cimarron	190	647	186	555	13,696	7,212
Allanta	120	0	142	406	0	1,913
Brougham (rwd)	1,080	627	1,030	3,266	46,851	37,089
DeVille (fwd)	2,884	4,048	2,990	8,813	84,955	78,820
Eldorado	573	647	602	1,707	12,000	9,525
Seville	518	627	513	1,524	10,565	11,816
Chevrolet Total	28,485	25,982	23,536	79,388	693,146	689,058
Chevette	0	2,284	0	0	55,191	0
Camaro	3,363	3,942	1,228	7,606	101,756	52,618
Cavalier	8,419	8,815	8,520	24,864	210,622	181,215
Celebrity	5,819	4,649	5,688	17,494	143,039	175,599
Corsica/Beretta	4,720	0	4323	15,775	0	131,345
Monte Carlo	1,178	1,986	1,209	3,642	56,706	35,802
Chevrolet	4,346	3,658	1,922	8,074	111,995	97,825
Corvette	640	653	646	1,931	13,837	14,854
Oldsmobile Total	15,391	22,381	17,473	46,924	550,664	348,352
Firenza	620	445	577	1,663	22,008	5,563
Calais	3,660	2,338	3,836	11,197	82,891	64,609
Cutlass Ciera	5,077	6,158	5,041	14,852	135,780	91,329
Cutlass Supreme	1,890	1,772	1,907	5,371	80,324	35,767
88 (fwd)	2,160	8,573	4,117	8,147	172,252	93,943
88 (rwd)	510	619	472	1,486	11,222	9,560
Olds 98	956	1,982	971	2,662	57,255	34,775
Toronado	518	513	552	1,546	8,932	9,206
Pontiac Total	13,044	22,513	13,629	43,167	413,788	352,420
Acadian*	0	555	0	0	9,456	0
Fiero	1,200	1,987	1,068	3,283	38,315	19,301
1000	0	1,457	0	0	16,623	0
Firebird	2,049	3,934	752	4,655	57,570	38,845
2000 Sunbird	2,287	3,557	2,330	6,912	71,067	56,593
Grand Am	5,280	5,947	6,256	17,743	109,033	126,812
6000	2,045	3,944	0	4,104	75,408	40,180
Bonneville	0	0	3112	6,085	0	65,436
Safari/Parisienne	203	1,132	121	405	36,276	5,253
HONDA	5,390	3,900	6,486	19,750	92,774	157,380
Civic	2,550	0	2876	8,616	0	53,051
Accord	3,840	3,900	3,609	11,134	92,774	104,329
NISSAN	2,940	0	2,948	8,874	21,517	67,767
NUMMI	3,750	3,600	4,071	11,845	87,508	92,470
Corolla	750	0	868	2,508	0	19,050
Nova	3,000	3,600	3,203	9,337	87,508	73,420
VOLKSWAGEN	2,000	2,014	2,045	6,038	44,279	37,525
Golf/GTI	1,750	2,014	1,795	5,288	44,279	31,624
Jetta	250	0	250	750	0	5,901
Total Cars,U.S.	152,485	180,166	147,277	456,397	4,077,381	3,717,565
Total Cars, Canada	18,318	25,753	18,115	54,354	567,325	400,183
N. American Cars	170,803	205,919	165,392	510,751	4,644,706	4,117,748
N. Am. Trucks	93,140	95,678	93,617	282,299	2,236,362	2,210,681
North American Cars and Trucks	263,943	301,597	259,009	792,980	6,881,068	6,328,409

Mercedes to withdraw 3 diesels

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Mercedes-Benz will shelve three of its turbodiesel cars in 1988, blaming a trap-oxydizer emission-control device that the company wants to study further.

The models are the 300-D four-door sedan, the 300-TD four-door wagon and the 300-SDL four-door sedan. All have six-cylinder engines.

The company also said it will notify 9,000 owners of 1985-model 300-D, 300-CD, 300-TD and 300-SD cars that have the device and urge them to contact dealers for an improved version at no charge. The cars have five-cylinder diesels and were sold in California and other Western states.

"This is another maintenance step and should be done every 30,000 miles," said a company spokesman.

Since the device can damage the turbocharger, Mercedes also will inspect and replace it at no charge, if necessary.

The trap oxidizer is an advanced diesel emission device that reduces particulate matter emissions. It was developed by Mercedes and is used only on cars sold in North America.

Field inspections of 1985 models sold in California and other Western states revealed that the device flakes small ceramic particles from its core, which can lead to premature tubocharger wear.

A Mercedes-Benz of North America spokesman said it does not affect compliance with emissions standards and that most drivers do not experience a difference in the response of the automobile.

Mercedes engineers are monitoring 1986- and 1987-model 300-D, 300-TD and 300-SDL turbodiesels with an improved trap oxydizer.

Company officials decided to suspend production of those models at the close of the 1987 model year until further research on the device is finished. The company will add two gasoline models to its 1988 lineup.

Five of the 14 models in Mercedes' current line are diesel-powered and account for 20 percent of sales. The company will continue to market 190-series diesels, which are not equipped with the trap oxydizer.

Discontinuing the three diesel models will adversely affect the company's Corporate Average Fuel Economy ratings, a company spokesman said.

"We are not certain how much it will affect CAFE ratings, but it will most likely result in higher penalties," he said.

Lucas purchases aerospace firm

TROY, Mich. — Lucas Industries Inc., the U.S. subsidiary of Lucas Industries PLC, a United Kingdom-based aerospace, automotive and industrial systems group, has purchased Western Gear Corp. for $88.8 million.

Western Gear is an aerospace firm with facilities in North Dakota and California. The company produces actuation systems, auxiliary gearboxes, helicopter transmissions, weapon rails and other products.

The acquisition of Western Gear gives Lucas' U.S. operations annual sales of $500 million.

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Automotive News

June 29, 1987

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Chrysler talks with China on engine, car

By Laura Clark and Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTERS

Chrysler Corp. is negotiating with China's government-owned First Autoworks to supply the Chrysler 2.2-liter four-cylinder engine as well as tooling for the Dodge 600.

If the deal is successful, a version of the 600 would become the next-generation flagship car in First Autowork's line. It is unclear whether Chrysler would sell the tooling outright or work with First Autoworks in a joint venture.

A Chrysler spokesman said a decision on the engine is close to being finalized. The American automaker has been discussing with First Autoworks for more than a year the possibility of providing its 2.2-liter engine as the base engine for the Chinese automaker.

Chrysler is competing with Citroen and a Japanese automaker to supply an unspecified number of four-cylinder powerplants to be used in a variety of First Autowork's products, the Chrysler spokesman said.

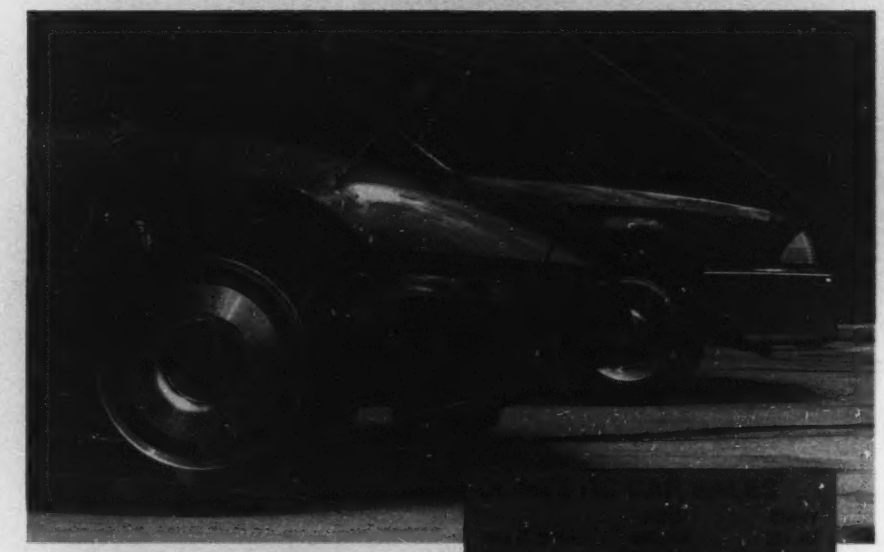
Chrysler is also conducting feasibility studies with First Autoworks on building the Dodge 600 as a replacement for the Red Flag, a sedan currently offered in the Chinese market.

The spokesman said no agreement has been reached on the car project.

"The engine deal is a whole lot closer to fruition," he said.

"China is certainly one of the great world markets of the future, and some say the greatest market of the future," said the spokesman. "If we can get in with the Chinese and provide the base engine for

see CHINA, page 50



NEW LEADER

Ford overtakes Chevy in domestic-car sales

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

An automotive tradition in this country is changing. Ford Division is leading Chevrolet in sales of North American-built cars.

Ford hasn't topped Chevrolet for a full year since 1959.

Ford has outsold Chevrolet in six of the last eight months. Ford leads Chevrolet for the 1987 calendar year and for the 1987 model year in sales of North American-built autos.

At one point in American history, one of every four cars sold wore the bow-tie emblem of Chevrolet. The division was, without question, the industry volume leader.

In today's sales sweepstakes, however, Chevrolet has been limping with increasing severity as its competitor in Dearborn forges ahead.

Just last month, for example, Ford Division outsold Chevrolet by 2,504 units with deliveries of 125,062 domestic cars to Chevrolet's 122,558.

Ford's feat appears even more noteworthy in light of the new mid-size Corsica and Beretta launched by Chevrolet while Ford has no brand-new domestic cars this model year.

Ford's lead may not last through the end of the year, however. Ford's projection calls for domestic sales of 1.34 million units for the calendar year. Chevrolet's own forecast is for 1.60 million.

But even that difference of something better than a quarter of a million cars may not materialize. General Motors and its car divisions in the past frequently have missed projections by wide margins as sales fell short of overly optimistic early forecasts.

Ford's advantage over Chevrolet widens considerably when light trucks, vans and imports are added. Ford last month sold 20,359 more vehicles in total than did Chevrolet, 251,624 to 231,265. And for the first five months of the year, it beat Chevy by 64,441 vehicles, selling 1,160,058 vs. Chevrolet's 1,095,617. One year ago, Chevrolet was ahead of Ford in total vehicle sales, both for the month and for the year.

In contrast to last month's performances, in May last year, Chevrolet outsold Ford Division on a domestic-car basis by a hefty 31,113 units with deliveries of 158,897 cars to Ford's 127,784.

The difference in the first five months this

see LEADER, page 50

Car output will drop in 3rd quarter

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Most industry watchers have figured by now that the U.S. car production forecast for the third quarter would be lower than that of last year.

Their expectations were fulfilled as third-quarter production schedules were obtained by Automotive News, forecasting a build of 1,464,905 cars — a dip of 10.36 percent from the 1,634,205 completed in the third quarter of 1986.

THIRD QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	723,610	828,269	−12.64
Ford	363,000	383,668	−5.38
Chrysler	220,000	259,581	−16.96
AMC	0	12,491	—
Honda	74,855	64,559	+15.95
NUMMI	48,000	49,520	−3.06
Nissan	29,640	10,066	+194.49
VW	5,800	15,721	−63.11
Industry	1,464,905	1,634,205	−10.36

The questions now are: Is the decrease going to be enough? How long will incentives carry on? How many plants will extend downtime? And, will there be strikes?

Ronald Glantz, Montgomery Securities analyst, thinks that the third-quarter forecast is at least 200,000 units more optimistic than what the makers actually will end up building.

"My calculation is that domestic dealers should end the second quarter with 1,965,000 cars in inventory, which is equal to a 77-day supply. This means that inventory is 419,000 units higher than average," he added.

The average from 1970 to 1986 for the end of June was 60.9 days, he said. That means the third quarter schedule is 200,000 units too high, he calculated.

Glantz thinks second-quarter production is running high in anticipation of a strike. That means the makers are going into the third quarter with plans to purposely build too many cars.

Contracts at General Motors and Ford Motor Co. expire Sept. 14, and a strike is almost certain, Glantz said. Ford and GM want a high inventory to avoid being hurt by a strike, he said.

see OUTPUT, page 51

Mazda plant nears Job One

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

FLAT ROCK, Mich. — Workers at Mazda Motor Manufacturing (USA) Corp. have completed the first 100 cars of pilot production at a new $550 million plant on the site of Ford Motor Co.'s defunct Michigan Casting Center. Commercial production begins in September, once 200 more pilots are assembled.

The Flat Rock plant — like New United Motor Mfg. Inc., the General Motors-Toyota partnership — will produce two different cars to be marketed separately by Mazda and Ford. Ford owns 25 percent of Mazda, but this is not a joint venture.

Observers believe Flat Rock will allow Detroit automakers — particularly Ford — a closer look at Japanese management methods and team production. Both are practices the Big Three want to incorporate to make their own plants more productive.

Dennis Pawley is vice president of manufacturing for Mazda's U.S. manufacturing operation. He left the position of plant manager at GM's Pontiac Fiero assembly plant to join Mazda.

"In my 20 years with GM, we tried many different ways of team building, but I found when I got down here that it's much deeper and much more complex in a Japanese plant," he said.

The plant's automation will also be of interest to other automakers. According to Mazda Motor Manufacturing President Osamu No-

see MAZDA, page 47

AUTOMOTIVE NEWS/JOE WILSEMS

Mazda's Dennis Pawley

Chrysler, dealers react to indictment for odometer fraud

By Helen Kahn, Charles M. Thomas, Theodore G. Coutillish and Kathleen Hamilton
AUTOMOTIVE NEWS STAFF REPORTERS

Chrysler Motors dealers reported late last week that the federal indictment of Chrysler Corp. and two executives on odometer tampering charges had not adversely affected their business.

But the dealers' reaction ran counter to the general trend: Related lawsuits were filed by individuals following the criminal charges; Chrysler was answering customer queries on whether their cars had been driven before the odometers were connected and was tracking down those damaged; print and electronic

see INDICTMENT, page 8

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Daihatsu, Bombardier call it quits — Page 2
AMC unveils luxury Premier — Page 3
Buick forecasts better times — Page 4

Advanced system to revise GM global manufacturing

By Jake Haas and Michelle Krebs
AUTOMOTIVE NEWS STAFF

General Motors plans to revolutionize its worldwide manufacturing operations through its newly instituted GM Production System.

The goal of the new production setup is to create a common manufacturing system for GM globally, thus reducing costs drastically and boosting productivity "by light years," as one GM executive described it.

The program simplifies product design and product offerings as well as simplifying the GM organization, the manufacturing process and every worker's job.

The program alters activities in practically all associated areas, including methods of engineering, vehicle design, marketing, material control, plant arrangements, supplier agreements and labor relations.

It will change and standardize the automation that the automaker uses to build its vehicles and could make obsolete many of its current technologies, developed for systems such as robotics, vision and inspection.

"When you talk about a production system in these terms," said Elmer Johnson, GM executive vice president in charge of the operating staffs, "you're talking about bringing together all kinds of disciplines — materials management discipline, manufacturing and engineering discipline. It involves how you lay out the plant, how you deal with suppliers, how the material flow takes place."

The new production system also involves simplifying bureaucratic procedures among the salaried ranks and simplifying the worker's task, all accomplished in large part by listening to the workers who actually do the job. Participative management and the team concept of production play heavily in the new production system.

"The more you simplify the worker's task so he or she doesn't have to have these big boxes of parts around them trying to make the car, the higher-quality car you're going to have and the lower you can price it because your costs are low," Johnson said.

An end result of the new production system, Johnson said, is increased productivity and tapping more of the potential of GM employees, hourly and salaried.

"It's all geared toward getting much more zest, energy and participative play out of the employees at every level," he said.

Johnson used as an example of the new production system the cataloging of available parts within GM. Johnson said in some cases, distinctiveness has been pursued to excess and GM now should seek commonality of invisible parts.

"You don't have to have 45 different brake pedals," he said. "The trick is to catalog those parts that don't have to be engineered and specified with a new set of specs."

Johnson believes cataloging parts represents the area in which GM can realize the most significant cost savings.

The new production system is based in part on the second-generation Americanization of Japanese manufacturing techniques picked up through GM's California partnership with Toyota in New United Motor Manufacturing Inc. and others.

The program already is being installed on the Detroit-Hamtramck Allante body assembly lines. Sources indicate that GM intends to expand the production system to other areas in the Hamtramck plant once its current installation is debugged and running full time.

The program is really an outgrowth of GM's long search for some kind of generic manufacturing approach that all units can adopt.

GM, which has practically every piece of manufacturing machinery made, has been looking over the manufacturing processes offered by its vendors and partners. One corner of that effort is GM's drive to standardize its computer-aided design and engineering systems (Automotive News, May 25).

GM is currently winnowing the five surviving vendors of 27 down to three in an effort to integrate its 22,000 computer-aided-design workstations, 35 percent of which are in GM's home-brewed system.

The Toyota Production System, as much a manufacturing strategy as a technology, is a key element of the new GM production system. It encompasses such elements as reducing labor classifications, expanding operator responsibility, just-in-time parts and materials delivery and manufacturing and assembly process enhancement.

The Toyota manufacturing principles GM is attempting to pass through its system include:

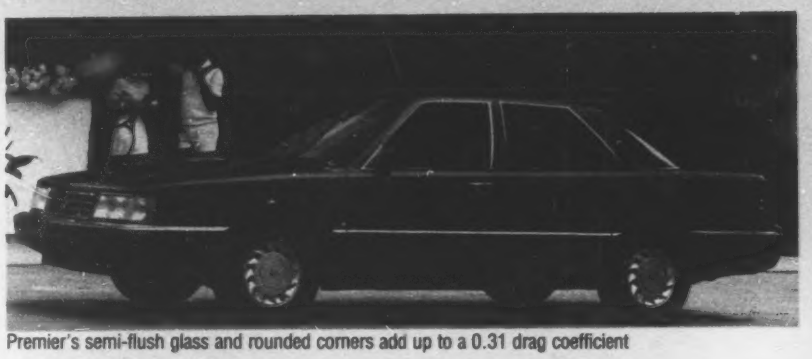
- Profit is guaranteed only through cost cutting.
- Elimination of any activity that does not add value to the product will reduce costs.
- Increased quality justifies stopping the line.
- Worker-hours needed to make a product should be reduced progressively.

The company feels the new system will keep its cost and quality competitive with other car builders worldwide.

GM isn't the only American automaker to foster such hopes. Chrysler Corp., for example, has similar feelings about its new Simplex automated production system at its Belvidere and St. Louis No. 1 plants, which has produced some startling savings and process flexibility.

GMPS was kicked off last December in a memo signed by Robert C. Stempel, executive vice president and soon-to-be GM president; Lloyd E. Reuss and Donald J. Atwood, also executive vice presidents.

In part the memo stressed, "Development and implementation of this new production system will be a major effort, ultimately requiring involvement of most functions within every operating unit in North America. Because of the scope and complexity of this undertaking, the coordinated all-out efforts of all units is imperative, and it is essential that all operating units give this program top priority."



Premier's semi-flush glass and rounded corners add up to a 0.31 drag coefficient

AMC takes on new class

Premier gives dealers luxury intermediate to sell

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

MANITOU, Ontario — With a $337 million (U.S. funds) plant and $263 million in its tooling and product budget, American Motors is ambitiously entering the intermediate-car segment with its 1988 Premier.

The four-door luxury sedan will be assembled at AMC's new Bramalea assembly plant in Brampton, Ontario, and will represent the most ambitious vehicle project in AMC's history.

AMC hopes that Premier will become the company's weapon against such competitors as Ford Motor Co.'s Taurus/Sable, Pontiac 6000, Oldsmobile Ciera and Audi 5000. It is to be introduced in early November.

But more importantly, the Premier will provide a potentially profitable product for AMC's dealer network which has not had an intermediate-sized car since AMC discontinued Matador in 1977.

AMC is currently working with Bendix to develop anti-lock brakes for Premier. They are expected to be offered by the end of the 1988 model year, at least on a coupe version that will debut as a 1989 model. Engineers are also considering active suspension for a future model.

Designed by Giorgio Giugiaro

Chrysler Corp., which plans to acquire AMC in August, also has the right to cross-sell Premier and its derivatives in its own dealer network.

Premier, which sources say will be priced between $12,000 and $16,000, will be offered in three trim packages: the basic DL, sporty ES and luxury LX.

A five-speed manual transmission will be standard on the DL, while the LX and ES will be equipped with a four-speed automatic transmission with overdrive.

see PREMIER, page 46

Ford to test CIM at Ontario plant

By Jake Haas
SPECIAL CORRESPONDENT

Ford Motor Co. is installing a computer-integrated-manufacturing system at its Markham, Ontario, electronics and instrumentation plant.

Gary VanderHaagen, strategic planning manager for Ford's Electrical and Electronics Division, said that if the Markham CIM system, one of the auto industry's first, is successful, it could be the pattern for companywide implementation.

"We are not only focusing on this plant, but on other divisions as well," said Ken Hitchmough, CIM project manager at Markham.

"We hope to create generic software that can be transferred. There are people working on this full-time," VanderHaagen said. "It has a lot of corporate support."

CIM requires that all phases of manufacturing, design and marketing be tied together to reduce costs and produce better-quality products.

The Markham project resulted from the efforts of a team of managers with a variety of jobs who analyzed how Ford builds cars.

The first products to be put on line will be electronic instrumentation and radio products. VanderHaagen said.

CIM is expected to reduce product cost by 10 to 35 percent, cut leadtime 10 to 25 percent and improve quality.

"We are looking at standards and simplification," Hitchmough said. "We have to manage with data and information to be able to control our processes better."

However, the Ford engineers expect quality, productivity and the time needed for assembly operations to improve once the system is in place.

The CIM system is being installed gradually so that the way the Markham plant makes its products will not change markedly over the near term, Hitchmough said.

The pilot CIM system at the plant is expected to be up and running this year with the entire plant on CIM by the end of 1988.

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Car disciplines converge at World Congress

The convergence of engineering, design and safety will be highlighted at the 12th annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

The integral relationship between the three areas is exemplified by the careers of three prominent speakers who will address the gathering.

They are: Michael J. Kimberley, Group Lotus managing director; Helen O. Petrauskas, Ford Motor Co. environmental safety and engineering vice president; and Carl L. Olsen, chairman of transportation design at Detroit's Center for Creative Studies.

The overall theme of this year's World Congress is "Facing Up to Competitive Times."

Kimberley will address a general session on Tuesday, July 28, when the daily theme will be "The Importance of a Global Perspective."

Olsen will speak that evening at the gala banquet, and Petrauskas will address the group at the Wednesday morning finale, when the day's theme is "Coping with Change."

Kimberley, 48, was educated, trained and apprenticed as a mechanical engineer in England. He was with Jaguar for 15 years before starting at Lotus Cars in 1970.

His World Congress speech topic is "Lotus' Plans for Getting Bigger in the United States."

Petrauskas was born in Lviv, Ukraine. She joined Ford's Office of the General Counsel in 1971 as a staff attorney on emissions and safety. She is a supporter of air bags as passive restraints and has been active in the promotion and marketing of Ford's current crop of air-bag-equipped Tempo and Topaz models. The topic of her address to the World Congress is "Perspectives on Highway Safety."

Olsen, 53, began his career with General Motors in 1957 at the Warren, Mich., styling center. In 1960, he moved to Europe and spent the next 27 years working for various design studios before coming back to the United States earlier this month to take the job at the Detroit school.

Olsen, who spent the last five years as design director at Automobiles Citroen in Paris, will speak on "What's New in Automotive Design."

This year's World Congress will feature more than 30 speakers who will share their expertise, experience and opinions on the status of the automobile business and its future.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

RECREATION ON WHEELS

Vixen may seek growth funds; ad campaign set

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC, Mich. — Vixen Motor Co. is shifting into a higher gear in the RV market, though company officials are still circumspect about how far or fast they expect to go.

Vixen is talking to Goldman Sachs, the investment firm, about a potential debt offering to private investors to raise extra cash, Gerald S. Bryce, Vixen president confirmed.

The private placement is only in the conversational stage. Bryce said it would be aimed at funding the company's growth, rather than buying out controlling interest from the city of Detroit police and firemen's pension fund and the state of Michigan employees pension fund, which are majority investors in the firm.

Vixen is also seeking other ways to broaden its market horizons.

Aside from introducing a new "touring" version of its motor home, the company is gearing up for its first bona fide national ad campaign, through Scharfberg & Associates, of Jenkintown, Pa.

That agency replaced Vixen's previous ad agency, R.J. Baker, in early May.

Bryce said Vixen has relied mainly on media publicity and limited ad efforts up to now.

"There are a lot of people in lots of areas who don't know us," he said.

The $750,000 ad campaign will use national magazines and some local media, in line with the company's feeling that "our job is to set the Vixen image, and it's the dealer's job to sell in local market," Bryce said.

In its dealer recruitment, Vixen is now drawing prospects from both the automotive and RV fields.

Vixen currently has 52 dealers in 28 states, about a third as many dealers as it needs, according to Bryce.

The company's goal is to get 158 dealers and be in the 48 contiguous states by the end of its fiscal year that ends Sept. 30, 1988.

Bryce: "There are a lot of people in lots of areas who don't know us. . . . Our job is to set the Vixen image, and it's the dealer's job to sell in local market."

Vixen's dealers now include car-only dealers, car dealers with RV departments and RV-only dealers of all sizes.

It currently has 300 dealer prospects; but Bryce doesn't anticipate that the yield from them will be all that large because of the company's concern about signing the wrong dealers.

Bryce pointed out that "our vehicle is not the bread-and-butter franchise at a dealership. It's a second or third franchise," which means it is in no way critical to a dealer's survival.

And that means that unless a dealer likes motor homes or the RV lifestyle, he could end up doing little to push it.

Bryce noted that it's not something that can be sold simply as transportation, as many car dealers are used to doing, but has to be sold on the basis of fun as well.

He said he expects the new Vixen XC to account for roughly half the company's sales mix, based on current orders. The XC replaces some of the motor home features of the alternate Vixen 21 model with seating for eight people.

The company has a 45-day backlog of orders, split almost evenly between the XC and the 21, Bryce added.

He said he anticipates selling 300 Vixens in the current fiscal year that ends in September, up from about 185 last year.

Current assembly is at the rate of two units a day.

Bryce said the company is making an in-depth study of its longer-range sales potential, using Innovative Ventures, of Dallas and Lansing, Mich., as an outside market research consultant.

He said it would be "premature" to give any longer-range sales projections until the study is completed.

Bryce wouldn't disclose the company's break-even point for profitability, but said it has outlined a plan for profitability and is "marching to" it.

He predicted, though, that the company would break into the black within two years, barring any unforeseen catastrophe in the national economy.

Bryce said the biggest concern of RV manufacturers is not the price of fuel — which has been edging up — but its availability.

An increase in fuel prices wouldn't affect the vehicle's popularity, he said, because its high fuel efficiency is one of its strong points.

As part of its expansion, the company now has "completely staffed" its six sales zones with zone managers, Bryce added. Their job is to prospect for new dealers as well as call on old ones.

The company met with its dealers in mid-April, he added, and openly discussed its plans, its strengths and some of its previous errors.

Some of the changes it has made to strengthen its distribution include setting up a new operation to process warranty claims more quickly and doing more sales and service training of dealership personnel.

Proper servicing is particularly important to the company, since it is one of relatively few RV firms that assumes total responsibility for the warranties on its vehicles, Bryce said.

Typically, unless a motor home manufacturer tampers with the chassis or chassis components in some way, the chassis warranty is covered by manufacturers like Chevrolet or Ford that supply it.

Vixen plans to offer a gasoline engine and automatic transmission for California models first, beginning this fall.

It currently uses a 2.4-liter BMW turbodiesel 4-cylinder and manual transmission for all its vehicles.

The company will likely offer a 2.7-liter 6-cylinder BMW gas engine, but it is still exploring other possibilities as well.

It is also looking at a couple of suppliers for its automatic transmission, including ZF.

The Vixen Motor Company plant employs more than 150 people.

RV market strong, but '88 lag seen

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The RV market continues to look strong, though not quite as strong as previously predicted.

That is the finding of a report by John DeWolf, economic consultant, for the Recreation Vehicle Industry Association.

Seperately, the RVIA reported that April wholesale shipments were the highest in nearly three years.

DeWolf projected slightly fewer wholesale shipments of towable RVs and motor homes in calendar 1987 than he had foreseen earlier, but higher shipments of van conversions than he had forecast previously.

He also said he anticipated the start of a mild slowdown in industrywide shipments in 1988.

DeWolf's revised estimate calls for 222,000 RV shipments in 1987, excluding van conversions.

That would represent a 12 percent gain over last year, but is slightly below the 14 percent increase he previously projected.

He sees shipments of towable RVs rising 12.8 percent this year, motor homes rising 7.8 percent and truck campers rising more than 40 percent.

At the same time, DeWolf's forecast calls for a substantial increase in van conversion shipments.

He sees van conversion shipments climbing 18 percent in 1987 over 1986, compared to a small decline projected previously.

He also expects van conversion shipments to stay at that level in 1988.

Shipments of other RVs, excluding vans, are expected to decline to 210,000 in 1988 and rise slightly to 212,000 in 1989.

Recreational Vehicle Wholesale Deliveries

	April 1987	April 1986	% change	4 months 1987	4 months 1986	% change
Travel trailers	10,900	10,100	+ 7.9	35,800	32,900	+ 8.8
Folding camping trailers	4,100	3,700	+10.8	14,500	13,600	+ 6.6
Truck campers	1,200	800	+50.0	3,700	2,400	+54.2
Towable RV total	16,200	14,600	+11.0	54,000	48,900	+10.4
Conventional (type A)	3,800	3,300	+15.2	13,300	11,400	+17.5
Van Campers (type B)	700	700	0.0	2,300	2,000	+15.0
Chopped vans (all)	3,000	2,900	+ 3.4	9,800	9,100	+ 7.7
Motor home total	7,500	6,900	+ 8.7	25,500	22,500	+13.3
Van conversions	16,700	18,200	- 8.2	63,100	66,500	- 5.3
TOTAL ALL RVs	40,400	39,700	+ 1.8	142,600	138,000	+ 3.3

Meanwhile, RV manufacturers wholesaled more than 40,000 units in April, reaching that level for the first time in nearly three years.

April shipments of 40,400 units were up 1.8 percent over a year ago, according to RVIA.

For the first four months of 1987, industry shipments totaled 142,600 units, up 3.3 percent over last year.

All categories except van conversions showed increases in April, RVIA said.

Van conversion shipments totaling 16,700 units were off 8.2 percent from their year-ago total in April.

Their four-month total of 63,100 was off 5.3 percent from 1986.

Van chassis with seat-delete options, shipped by the four major domestic van suppliers to their pool accounts, continued to rise, though, portending a future upturn in conversion shipments.

Van converters typically order such units for the work they do.

In April, the four domestic van manufacturers shipped 3,300 compact vans without seats to converters, 17.9 percent more than the 2,800 shipped last year.

For four months of 1987, manufacturers shipped 13,000 compact vans with the seat-delete option to converters, a 22.6 percent increase over the 10,600 shipped last year.

Similarly, manufacturers shipped 16,300 standard-size vans without seats to converters in April, 46.9 percent more than the 11,100 units they shipped a year earlier.

For four months of this year, van manufacturers shipped 58,900 full-sized vans without seats to converters, 25.6 percent more than they shipped last year.

Van manufacturers shipped 19,600 seatless vans to converters in April, 41.0 percent more than last year. And they shipped 71,900 vans to converters for the first four months of the year, a 25.0 percent increase over last year.

In RVIA's tally of wholesale shipments by manufacturers to dealers, truck campers continue to stand out.

RV manufacturers wholesaled 1,200 truck campers in April, 50 percent more than last year. And they shipped 3,700 truck campers for the first four months of the year, up 54.2 percent over the year-earlier total.

Truck campers are part of the "towable" segment of RVs, which also includes travel trailers and folding camping trailers.

Towable RV shipments in April totaled 16,200, up 11.0 percent from a year ago. For four months of this year, towable RV shipments of 54,000 were up 10.4 percent from a year ago.

Motor home shipments, totaling 7,500 in April, were up 8.7 percent from a year ago. For four months, their total of 25,500 was up 13.3 percent from a year-earlier.

Ford studies more sharing of light platforms, parts

RV TRENDS

JOSEPH BOHN

Cost containment being the key to success in the truck business, Ford is studying common platforms and parts for some of its future light-duty products.

Ray Pittman, compact business planning and vehicle engineering program director for Ford Division, said a simplified "bag of parts" could be used to build a number of base vehicles and derivatives.

Pittman said that Ford's F-series pickups, which have the highest sales volume in the industry, share common parts.

"We thought, then, how can we expand that concept to include vans and utilities and have only what we call 'meaningful complexity?' "

Meaningful complexity, Pittman said, would mean only necessary appearance and functional differences.

Currently, the Ranger and Bronco II share a platform and body-on-frame construction.

The Aerostar, which was Ford's first unibody-construction truck, uses a different platform.

Platforms for Ford pickups and sport-utility vehicles generally are the same; while Ford vans have their own platforms. Ford is studying the idea of using a common platform for all its compact trucks, including vans.

A body-on-frame design is the most natural for trucks, Pittman said, pointing out that it "gives you a lot more flexibility in ride, handling and quietness."

In its future product plans, Ford also appears to be leaning toward a new extended Aerostar model.

It might be argued that a maxi version of Aerostar would overlap with the smallest of Ford's current full-sized Econoline vans/wagons.

But, as Pittman pointed out, "Customers see it quite differently. We thought the small van would substitute for the full-sized vans, but that hasn't been the case.

"Nothing is 100 percent; but the drawdown from Econoline, from our standpoint, hasn't been visible at all," he added.

Some 90 percent of Aerostars are being produced as people carriers, with 60 percent of the drivers being women who typically haul children and groceries. The small Econoline van appeals mainly to contractors and other kinds of commercial users.

So, "the logical thing is to expand it (Aerostar)," Pittman added.

With all the interest in front-wheel-drive and multipurpose vehicles, Ford is also continuing to look at a new, smaller, front-drive van. "The next time we make a major change in the van, it's a very serious consideration," Pittman said.

Officials expect value-equipped and priced trucks to become hot marketing items in the 1988 model year, particularly if the market softens and competition continues to heat up.

AUCTION DATES

American Motors

June 30 — D-A Auto Auction, New Stanton, Pa.

July 1 — Minneapolis Auto Auction, Plymouth, Minn.

July 2 — Greater Chicago Auto Auction, Chicago, and Corry Auto Auction, Corry, Pa.

July 7 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

July 8 — Columbus Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

July 9 — Evansville Auto Auction, Evansville, Ind.

July 14 — D-A Auto Auction, New Stanton, Pa.

July 15 — Minneapolis Auto Auction, Plymouth, Minn.

Chrysler Corp.

June 30 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

July 1 — South Seattle Auto Auction, Kent, Wash.; A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and Southern Auto Auction, Warehouse Point, Conn.

July 2 — Fredericksburg Auto Auction, Fredericksburg, Va., and St. Louis Auto Auction, Bridgeton, Mo.

July 7 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

July 8 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

July 9 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

July 1 — Southern California Auto Auction, Fontana, Calif.

July 2 — Southwest Auto Auction, Phoenix, Ariz.

July 7 — Harrisonburg Auto Auction, Harrisonburg, Va.

July 8 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Salt Lake Auto Auction, Salt Lake City

July 9 — Nashville Auto Auction, Nashville, Tenn., and Bay Cities Auto Auction, Inc., Hayward, Calif.

July 10 — Interstate Auto Auction, Mercer, Pa.

General Motors

July 7 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and 166 Auto Auction, Springfield, Mo.

July 8 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, Fontana, Calif.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

July 9 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

June, 1987	$5,900
Month ago	$5,871
Year ago	$5,176

Model Breakdown
Auction Averages

	JUN 1987	MAY 1987	APR 1987
1987	$11,113	$11,046	$13,266
1986	$9,187	$9,287	$9,460
1985	$7,191	$7,194	$7,236
1984	$5,727	$5,718	$5,732
1983	$4,852	$4,873	$4,842
1982	$3,687	$3,705	$3,727
1981	$2,680	$2,705	$2,635
1980	$2,134	$2,141	$2,170
Overall Average	$5,900	$5,871	$5,832

Fruehauf moves to reduce debt

Firm aims to cut $1 billion load incurred in balking takeover

By Theodore G. Coutilish
SPECIAL CORRESPONDENT

TROY, Mich. — At its annual shareholders' meeting, Fruehauf Corp. revealed consolidation and divestiture plans designed to reduce its debt of $1 billion.

The company took on the debt in a leveraged buyout last year that thwarted a hostile takeover bid by New York corporate raider Asher B. Edelman.

In December 1986, a group of Fruehauf managers and Merrill Lynch & Co. bought the company.

Since then, Fruehauf has cut its debt by $450 million by selling off a finance subsidiary and two truck-trailer operations.

Although the Detroit-based company posted a $61 million loss in 1986 and a $5.7 million loss during the first quarter of this year because of interest expense from the buyout, Fruehauf's management is optimistic.

T. Neal Combs, president and chief administrative and financial officer, told stockholders "the new Fruehauf is alive and well."

"The key to success in the long run is not a shrinking company but rather growth through focusing on the core businesses," he said.

Those core businesses — truck trailer and automotive operations — will continue to operate no matter what, he promised.

To reduce debt, Combs said Fruehauf is considering selling inventory, real estate and equipment.

"The name of the game at this point is positive cash flow so that we are in a position to reduce the (debt) levels and the accompanying interest cost," he said.

Calling 1986 a year of restructuring, Leon Alexander, president and chief executive officer of trailer operations, said the company saved $35 million by merging departments and divisions, restructuring branch sales and service networks and permanently closing assembly plants in Fort Wayne, Ind., and Milan, Mich.

Looking ahead, Alexander said he sees a bright future for the 84-year old company.

"We expect business to remain strong through 1987 and 1988," he said. "We've increased our share of the market by 15 percent, and our international trailer operations improved in 1986. We have an excellent order backlog and there has been an upturn in demand for our construction-related dump, platform and tank trailers."

The 1990s look even brighter, he told shareholders.

New product lines in sensors, domestic containers and aluminum wheels are on the drawing board, he said.

Growth prospects include upgrading of current facilities, an improved dealer development program and emphasis on research and development.

Fruehauf recently announced plans to build a new automotive parts plant. Although a site has not been selected, the plant will produce electronic automotive sensors through Fruehauf's Kelsey-Hayes subsidiary. The sensors use computer technology to gauge such factors as oil temperature and speed in cars.

Kelsey-Hayes President Bob Siefert said the company has been the leader in designing products such as anti-lock brakes. He said Ford Motor Co. and General Motors agreed to put its two-wheel anti-lock brake system on nearly all of their light trucks in 1989. He added that by the 1990 model year, two-wheel anti-lock brake systems will be standard equipment on most light trucks made in America.

Fruehauf is a manufacturer and distributor of transportation equipment and components within the truck trailer, automotive, maritime and aerospace industries. Employment is approximately 26,000 worldwide.

Hyundai Canada, 45 dealers buy Tricom

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

In an unusual move, Hyundai Auto Canada Inc. and 45 Canadian dealers have teamed up to buy the computer network of Tricom Automotive Dealer Systems Inc.

The purchase, through a liquidation sale, has allowed the 140 General Motors, Hyundai Canada and other dealers on the system to survive Tricom's demise with little impact, said Wayne Gilbert, manager of management information systems for Hyundai Canada.

The new owners have retained Leasecorp Systems Ltd., of Mississauga, Ontario, to manage the operation.

Hyundai, which owns 50 percent of the venture, said that 45 of its 190 Canadian dealers are on the system. The other half is held by a group of 45 dealers, most of them with GM franchises.

One advantage of the setup is that the dealers will have a direct voice in how the network runs, said Ian Mead, vice president of Leasecorp. A council made up of five Hyundai dealers and five GM dealers will determine the direction of the business.

"I think in the long run the product will be more conducive to what dealers want," Mead said. Leasecorp will make most of the day-to-day operating decisions.

In addition to its role in providing financial packaging and acquiring the IBM/36 hardware for the system, Leasecorp will also handle the marketing, Mead said.

Most of its initial thrust will be in Canada, where many dealerships haven't been computerized. Eventually, it hopes to challenge industry leaders ADP and Reynolds & Reynolds in Canada. Later, it expects to broaden its U.S. presence, where the network now serves about 30 dealers.

Leasecorp also will keep a share of the venture's profits and distribute a share back to the system's owners.

Tricom, based in Hayward, Calif., was known as Tricom Systems Corp. until its 1985 purchase of Toronto-based Automotive Dealer Systems Inc. and ADS Computer Services Inc. The company had begun marketing the ADS system in the United States until going out of business in April, according to Mead.

About 18 Tricom employees have been picked up by Leasecorp.

Hyundai Canada calls the service the Hyundai Dealer Management System. The GM dealers and other dealers know it as the Automotive Dealer Management System.

Hyundai Canada also is expected to make an announcement soon about plans to install a computer communications system between its dealers and its Markham, Ontario, headquarters.

AUCTION DIRECTORY

PENNYSYLVANIA

Hatfield Auto Auction
Route 309, Box 309
Hatfield, Pa.
FLEET & LEASE
From quick pickup to condition report to recon to sale. 21 years servicing the industry. Contact: Paul Cleveland or Mort Gallub.
215-822-1935
Sale Every Tuesday, 11 A.M.

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

DEALERS AUTO AUCTION
Dallas County, Texas 214-642-3900
Sale Every Tuesday, 11 A.M.
Full service auction. Fleet & Lease. 400 repossessions selling weekly. 4 Lanes. Ford Motor Credit, General Electric, Chrysler Credit, Citicorp Acceptance Corp., Nissan Credit, Toyota Credit, Valley Bank, Banks & Financing Companies, etc.
Contact: Donny Gibson or Grady Gibson
Member of NAAA & WAAA

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

AUCTION NEWS

West Palm Beach Auto Auction, West Palm Beach, Fla., has moved to a new facility. The auction, a subsidiary of **Anglo American Auto Auctions Inc.**, features six lanes and can handle 1,800 cars per week.

GE Credit Auto Auctions has acquired three more auto auctions and now owns 11. The new auctions are **Minneapolis Auto Auction**, Minneapolis; **Newburgh Auto Auction** (formerly Northeast Auto Dealers Exchange), Newburgh, N.Y.; and **Portland Auto Auction**, Portland, Ore. "These latest acquisitions further solidify our presence in the auto auction business," said Mike Zafirovski, president and general manager of General Electric Credit Auto Auctions, a subsidiary of General Electric Credit Corp. GE Credit Auto Auctions began purchasing auto auctions in 1985. Currently, it anticipates selling more than 400,000 units during 1987.

Harrisonburg Auto Auction, Harrisonburg, Va., was the site of the largest Ford factory sale ever, according to Jim Wheatley, the auction's general manager. Wheatley said 835 cars and trucks were sold for $8,205,800 to the 167 dealers who were in attendance from 19 states.

That convertible look
E&G Classics Inc., Columbia, Md., is offering a simulated convertible top for the Oldsmobile Toronado.

Taiwan ventures interest Magna

MARKHAM, Ontario — Magna International Inc. is exploring the possibility of joint ventures with auto parts firms in Taiwan.

Magna, Canada's largest parts company, would use the ventures as low-cost sources for some components, said Stephen Rodgers, director of planning. It would likely use those parts in modular assemblies for automakers.

Rodgers said Magna has had questions about quality and availability in its search for components. A joint venture would help answer those concerns by giving Magna a voice in production.

Although Magna isn't negotiating with any company right now, it could have a deal within five months, Rodgers said. Magna is also looking for similar opportunities in South Korea.

Lataif says Ford stocks are 'perfect'

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. believes it is in ideal strategic position as it prepares to shed inventory over coming months and make way for this fall's 1988 lineup.

Ford had a 71-day supply of domestic cars at the start of June, lower than Chrysler Motors' 82-day stock and General Motors' 87-day inventory. "That's a perfect position for us at this time of year," Louis E. Lataif, vice president of North American sales operations, said in an interview last week.

Automakers are again paying close attention to their inventory levels this summer, as sales lag despite incentive programs.

Total car sales were down 10.7 percent through the end of last month. Inventories of U.S.-built cars were 15 days above year-ago levels at 77 days. Stocks of imported cars, too, have climbed from a 41-day supply last June 1 to 60 days this year.

The industry is in worse shape in 1987 in part because consumer tax refunds have not been as high as they have been in the past, said Thomas O'Grady, president of Integrated Automotive Resources Inc., Wayne, Pa.

He expects a round of strong incentives to begin within two or three weeks, with GM likely taking the lead in trimming its stock and the other automakers following. Ford and GM will want to maintain a higher-than-usual supply — perhaps 80 days worth of cars — to protect against a possible UAW strike in September, he said.

AUTOMOTIVE NEWS/JOE WILSKERS

Lataif: "You can expect us to be every bit as competitive as we've been, in terms of trying to neutralize whatever any of our major competitors do."

But O'Grady said the makers do not want to go into the strike period with incentives, so he expects the annual cleanup programs to begin earlier than usual.

O'Grady gave Ford credit for managing its inventory well. Not only has its car stock been lower than that of its U.S. rivals, but the company has been able to avoid buildups on its slower-moving lines, O'Grady said. The Ford product with the highest supply, the Mercury Sable (119 days), has been selling well.

While Ford is not expected to lead the way on any new incentives, Lataif made it clear that the company will respond to protect its market share.

"I think you can expect us to be every bit as competitive as we've been, in terms of trying to neutralize whatever any of our major competitors do," he said.

The combination of steady Ford sales and a declining industry has boosted Ford's share to 20 percent of the U.S. car market and 30 percent in trucks. Ford officials set that goal 15 months ago, when its respective shares ran at about 17 and 27 percent. If Ford can hold its current levels for a year, Lataif said, it then will set its targets higher.

Lataif predicted combined U.S. car and truck sales will come in at about 15 million units in 1987. He said car sales have been weaker and truck sales have been stronger than expected.

Cash and cheap loans fail to halt sales slide

By Karen Detkowski
AUTOMOTIVE NEWS STAFF REPORTER

Although sales incentives were extended and were in full force during the June 11-20 period, domestic new-car sales dipped 11.33 percent below the 1986 total.

With nine selling days both years, domestic-car sales dropped to 223,376 from last year's 251,920.

The mid-June daily selling rate was 24,820, down from 27,991 in the comparable period of 1986. The June 1-10 rate was 23,189, based on sales of 208,699.

Domestic sales since Jan. 1 totaled 3,417,873, down 11.77 percent from 3,873,974 in the year-ago period.

Showing sales increase for mid-June were Honda, up 60.58 percent over the 1986 span, and Ford Motor Co., up 14.13 percent. Ford's total of 68,232 was its highest mid-June figure since since 1978 when 83,214 cars were sold. Nissan sold 4,332 U.S.-built cars, compared to 78 in 1986 when its plant was down for retooling.

American Motors' sales dipped 63.27 percent, and there were declines of 18.76 percent for Chrysler Motors, 22.57 percent for General Motors and 21.96 percent for Volkswagen. Toyota reported sales of 1,198 U.S.-built cars this year; it was not selling such cars at this time in 1986.

Despite incentives, sales were down for all Chrysler Motors and GM makes. The Chrysler declines amounted to 23.70 percent for Plymouth, 17.08 percent for Chrysler and 15.81 percent for Dodge.

Sales dips at GM were 37.67 percent for Pontiac, 24.08 percent for Chevrolet, 23.64 percent for Oldsmobile, 13.52 percent for Buick and 8.23 percent for Cadillac.

All three Ford Motor Co. makes reported increases for mid-June. Lincoln was up 35.68 percent over last year; Ford climbed 15.89 percent; and Mercury rose 3.45 percent.

DOMESTIC SALES

	June 11-20, 1987	June 11-20, 1986
Renault		
Alliance-Encore	345†	1,320†
AMC	150†	300†
American Motors	595	1,620
Chrysler	8,394	10,087
Plymouth	8,585	11,251
Dodge	11,052	13,129
Chrysler Motors	28,031	34,467
Ford	46,924	40,489
Mercury	15,842	15,120
Lincoln	5,866	4,176
Ford Motor Co.	68,232	59,785
Buick	15,781	18,249
Cadillac	6,513	7,097
Chevrolet	43,916	57,850
Oldsmobile	22,478	29,438
Pontiac	22,719	36,452
General Motors	111,407	149,086
Volkswagen	1,365	1,749
Honda	8,246	5,135
Nissan	4,332	78
Toyota	1,198	0
U.S. Industry Total	223,376	251,920

† = Estimate

LEADER

FROM PAGE 1

year was similar to that of last month, with Ford outselling Chevrolet by 2,242 domestic cars.

Look at the 1987 model year so far: Ford dealers have outpaced their Chevrolet counterparts in six of the last eight months in sales of domestic passenger cars. The model-year totals (Oct. 1 to May 31) were: Ford, 924,702; Chevrolet, 886,302. Ford amassed much of its lead in December when it outsold Chevrolet by 23,000 cars.

The last time Ford outsold Chevrolet for the calendar year was 1959, but that was due largely to a steel industry strike that Ford sidestepped through ownership of its steel works in the Rouge complex.

Ford Division also beat Chevrolet in 1957. That year, Ford's leading lines had major restyling while its chief competitor's cars received only a facelift.

In those days, the auto arena was far less crowded, and the Ford vs. Chevrolet contest was more tense. If a person decided not to buy a Chevrolet, it was much more likely a Ford would be purchased than it is today with many more competitors.

Louis E. Lataif, sales operations vice president, Ford North American Automotive Operations, looked at the competitive situation from his perspective.

"There are a lot of dynamics in the marketplace," he said. "What we have said is, it's fun to have the trophy of being the largest division or achieving a specific goal but, in fact, the competition is no longer Ford, General Motors and Chrysler; it's a much broader base of competition."

Lataif also told Automotive News, "It's not inappropriate for us to have some specific targets, but the typical buyer is not saying, 'Shall I buy a Ford or a Chevy?' any longer. He's buying from a wide bunch of choices. And, to the extent more of them decide Ford's a good car, our numbers go up. To the extent that they decide Chevrolet is not quite so desirable, Chevy's numbers go down. Some of the rest is mathematical fallout."

Lataif said of Ford's current lead over Chevy, "It's a very important achievement because it's something we've wanted for a very long time. The Chevrolet and the GM team is an extraordinarily talented group. It's fun to beat somebody who's very good.

"But when I think as a marketer about what customers are thinking, this is just internal gamesmanship. We're just talking to each other in the industry. The customers just want to buy good cars at a good value for the money, and there are a lot of brands to pick from, and there aren't just Ford and Chevy any longer. There's a whole host of names to select from."

Ford consistently has done even better in pickup trucks, vans and utility vehicles than it has in cars in competition with Chevrolet.

The division outsold Chevrolet in 1986 with deliveries of 1,324,885 light trucks to Chevrolet's 1,229,437. It also outsold Chevrolet in 1984, 1983 and 1981. And, for the first five months of 1987, Ford led by a robust 110,011 units with 574,903 deliveries against Chevrolet's 464,892.

A Ford man mused, "At one time, Detroit wondered if Ford Division would beat Chevrolet in trucks. That came to pass. Now, Detroit is wondering if we can pass General Motors in trucks, and we're close."

In the first five months of this year, GM's light-truck sales — Chevrolet and GMC — totaled 587,061 units while Ford's totaled 574,903, a difference of 12,158. In the first five months of 1986, Chevrolet and GMC sold 643,945 units and Ford sold 531,993, a difference of 111,952 units in GM's favor.

Chevrolet's total car sales, of course, include Sprint and Spectrum from Japan. With those cars added to its domestic sales, Chevrolet outsold Ford in 1986 by 321,698 cars.

Chevrolet dealers sold 9,294 Sprints and Spectrums in May and 49,265 in the first five months of 1987, so Chevrolet led Ford in overall car sales for both periods.

Ford dealers had no captive import until the introduction of the Festiva from Korea in May. The division expects to sell 35,900 Festivas this calendar year.

Automotive News Staff Reporter David Versical and Statistician Karen Detkowski contributed to this report.

CHINA

FROM PAGE 1

their car, it would be a significant move."

First Autoworks is the largest automaker in the People's Republic of China.

Whether or not the deal is consummated, Chrysler is likely to have a Chinese connection. Its planned acquisition of American Motors would give it an equity stake in Beijing Jeep Corp., the Chinese builder of four-wheel-drive vehicles.

The Dodge 600 four-door sedan is a six-passenger vehicle which was introduced in October 1982, as a 1983 model. Its companion E-body cars in the Chrysler lineup are the Plymouth Caravelle and Chrysler New Yorker. All are assembled at the Jefferson Avenue plant in Detroit.

Chrysler intends to keep the E-bodies in the 1988 model year with minimal exterior design changes, although it earlier had planned to end production of the models after the 1987 model year.

The powerplants, first introduced in Chrysler's K-car, are manufactured at Chrysler's Trenton, Mich., engine plant.

Ford's Petersen elected MVMA chairman

DETROIT — Donald E. Petersen, chairman and chief executive officer of Ford Motor Co., has been elected chairman of the Motor Vehicle Manufacturers Association.

He succeeds Donald D. Lennox, former chairman and chief executive of Navistar International Transportation Corp., for the one-year term, effective July 1.

Thomas H. Hanna, MVMA president and chief executive, was re-elected.

Elected to three-year terms on the MVMA board of directors were Bjorn Alhstrom, president and chief executive, Volvo North America Corp.; Gerald Greenwald, chairman, Chrysler Motors; Philip A. Hutchinson Jr., vice president — industry/government relations, Volkswagen of America; Shoichiro Irimajiri, president, Honda of America Manufacturing; and Robert C. Stempel, the president-elect of General Motors.

Elected to a two-year term was Donald J. Atwood, GM vice chairman.

In addition to Petersen and Hanna, the directors who will continue on the board are: Betsy Ancker-Johnson, vice president — Environmental Activities Staff, General Motors; Joseph E. Cappy, president and chief executive, American Motors; Jose J. Dedeurwaerder, vice chairman, American Motors; Lee A. Iacocca, chairman and chief executive, Chrysler Corp.; and Robert A Perkins, vice president — Washington office, Chrysler Corp.

Also, Helen O. Petrauskas, vice president — Environmental and Safety Engineering Staff, Ford Motor Co.; Noel Phillips, president and chief executive, Volkswagen of America; Harold A. Poling, president and chief operating officer, Ford Motor Co; Roger B. Smith, chairman and chief executive, General Motors; and Neil A. Springer, president and chief operating officer, Navistar International Transportation Corp.

MVMA members are AMC, Chrysler Corp., Ford, GM, Honda of America Manufacturing, M.A.N. Truck & Bus Corp., Navistar International Transportation Corp., PACCAR, Volkswagen of America and Volvo North America Corp.

PRODUCTION

Cars hold at 152,000

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto production continues to trail the 1986 weekly totals because of downtime at several plants.

Last week's targeted output of 152,099 dipped slightly (0.43 percent) from the previous week's 152,750 and was 13.44 percent below the year-ago week's 175,718.

So far this year, 3,869,929 cars have been assembled, 8.99 percent below the 4,252,322 assembled last year at this point.

Companies shared last week's production as follows: General Motors, 51.89 percent; Ford Motor Co., 24.48 percent; Chrysler Motors, 13.61 percent; Honda of America Manufacturing Inc., 4.31 percent; New United Motor Manufacturing Inc., 2.47 percent; Nissan Motor Manufacturing Co. U.S.A., 1.93 percent; and Volkswagen of America, 1.31 percent.

As previously reported, American Motors has ended output of its 1987 Alliance line.

GM's Doraville, Ga., and Lordstown, Ohio, plants closed June 26 for model changeover. Output at Lordstown is expected to resume Aug. 24, and Doraville will be down until November.

GM's Fiero plant in Pontiac, Mich.; its Detroit-Hamtramck plant (excluding the Allante line); and the Clark Avenue plant in Detroit shut down today for model changeover.

The Clark Avenue plant is scheduled to resume operations July 22, and the Fiero and Detroit-Hamtramck plants are scheduled to re-open Aug. 24.

GM's Oklahoma City plant resumed production today. The plant had been idle for one week to adjust inventories.

All Ford plants closed today for vacation. They will reopen July 13.

Chrysler's Newark, Del., assembly plant closed today and will be idle until July 20 for model changeover.

As previously mentioned, Chrysler's Belvidere, Ill., plant is idle for model changeover until mid-July.

Chrysler's St. Louis (No. 1) and Sterling Heights, Mich., are slated for daily overtime this week.

Week's truck build off 3%

Last week's domestic truck production totaled 75,121. It was 3.43 percent below the previous week's 77,791 but 0.43 percent more than the year-ago week's 74,803.

Year-to-date, 1,891,405 trucks have been assembled, 2.05 percent more than the 1,853,491 built last year at this time.

All Ford truck plants closed today for vacation. The plants are expected to resume operations July 13.

Three General Motors plants were scheduled to work last Saturday — Detroit; Flint, Mich.; and Pontiac, Mich. (medium-duty line).

Canada cars far below '86

Canadian auto production was scheduled at 18,038 units last week, 1.42 percent below the previous week's 18,298 and 25.56 percent below the year-ago week's 24,560.

So far this year, 418,201 cars have been assembled, 29.35 percent below the 591,952 completed last year at this point.

Truckmakers targeted production of 18,988 units last week, 4.41 percent more than the prior week's 18,186 and 14.63 percent more than the year-ago week's 16,564.

Year-to-date, 416,202 trucks have been built, 12.63 percent below the 476,370 assembled last year at this time.

CANADIAN CAR	Week Ended June 27, 1987	Week Ended June 28, 1986	Week Ended June 20, 1987	June est.	Jan. 1 to June 28, 1986	Jan. 1 to June 27, 1987
AMERICAN MOTORS	0	0	93	200	2,405	2,858
FORD MOTOR	10,675	11,292	10,829	43,992	284,021	288,530
GENERAL MOTORS	6,738	13,043	6,778	25,847	299,975	137,957
HONDA	400	0	373	1,433	0	3,548
VOLVO	225	225	225	900	5,551	5,310
Total Cars, Canada	18,038	24,560	18,298	72,372	591,952	418,201
U.S. TRUCK*	**Week Ended June 27, 1987**	**Week Ended June 28, 1986**	**Week Ended June 20, 1987**	**June est.**	**Jan. 1 to June 28, 1986**	**Jan. 1 to June 27, 1987**
CHEVROLET	20,336	22,546	19,740	80,108	622,300	550,325
DODGE	7,600	4,051	8,354	30,529	33,846	138,754
FORD	29,464	25,140	30,125	121,746	754,819	761,272
GMC	7,850	7,547	8,177	31,412	184,909	190,345
NAVISTAR	1,675	1,630	1,672	6,678	36,814	38,508
JEEP	3,656	3,718	5,130	17,657	95,797	108,666
NISSAN	1,790	3,621	1,843	7,207	64,334	42,333
AM GENERAL*	450	50	450	1,800	1,272	6,000
MISCELLANEOUS*	2,300	2,300	2,300	9,200	57,400	55,200
Total Trucks, U.S.	75,121	74,803	77,791	309,336	1,853,491	1,891,405
CANADIAN TRUCK	**Week Ended June 27, 1987**	**Week Ended June 28, 1986**	**Week Ended June 20, 1987**	**June est.**	**Jan. 1 to June 28, 1986**	**Jan. 1 to June 27, 1987**
AMERICAN MOTORS	775	893	776	3,101	13,254	16,785
CHRYSLER	8,494	6,277	8,537	34,150	217,769	206,593
FORD	3,648	3,447	3,539	13,781	90,934	79,779
GENERAL MOTORS	5,845	5,746	5,103	20,988	160,222	108,231
NAVISTAR	226	201	226	899	5,092	4,924
Total Trks., Canada	18,988	16,564	18,186	72,909	476,370	416,292
N. Am. Trucks	94,109	91,367	95,977	379,245	2,329,861	2,307,697

U.S. CAR	Week Ended June 27, 1987	Week Ended June 28, 1986	Week Ended June 20, 1987	June est.	Jan. 1 to June 28, 1986	Jan. 1 to June 27, 1987
AMERICAN MOTORS	0	0	0	673	28,595	15,539
Renault Total	0	0	0	673	28,595	15,539
Alliance	0	0	0	673	25,329	15,539
Encore	0	0	0	0	3,266	0
CHRYSLER MOTORS	20,700	30,641	23,834	90,295	715,407	583,890
Plymouth Total	5,400	8,850	5,638	22,616	213,940	177,927
Horizon	0	3,403	0	0	84,204	32,997
Sundance	1,800	316	2,188	7,765	922	53,083
Reliant	2,500	3,873	2,316	10,142	92,329	61,346
Caravelle	1,000	742	1,055	4,190	26,829	28,220
Gran Fury	100	514	79	519	9,656	2,281
Chrysler Total	7,800	9,064	9,506	35,005	233,459	192,006
Laser	0	743	0	0	25,336	0
LeBaron K	1,200	2,392	1,596	6,431	59,699	42,301
LeBaron J	3,300	0	4,102	13,224	0	61,622
LeBaron GTS	700	1,706	1,125	3,828	34,531	22,167
N. Yorker/E-Class	1,500	1,447	1,711	6,568	45,583	43,619
Fifth Avenue	1,100	2,776	972	4,954	68,310	21,699
Dodge Total	7,500	12,727	8,690	32,674	268,006	213,955
Daytona	1,700	1,103	2,044	6,662	27,422	30,347
Omni	0	3,971	0	0	78,325	28,363
Shadow	2,200	255	2,628	9,361	862	54,297
Aries	1,900	3,416	2,043	8,909	70,367	57,603
Dodge 600	900	1,751	1,015	3,961	43,568	25,208
Lancer	600	1,003	641	2,429	29,039	14,136
Diplomat	200	1,228	319	1,352	18,425	4,001
FORD MOTOR	37,228	38,622	39,010	155,832	943,389	996,278
Ford Division	27,834	26,440	27,308	113,636	644,123	702,420
Escort	8,674	7,951	7,518	34,011	203,967	191,135
Mustang	4,485	3,786	4,498	18,037	100,904	110,342
Tempo	3,011	3,967	3,707	14,476	105,548	97,391
Taurus	7,989	7,690	7,941	31,899	148,717	218,667
Thunderbird	3,695	3,046	3,644	15,213	84,987	84,865
L-M Division	9,394	12,182	10,702	42,196	299,266	293,858
Mercury Total	6,351	8,541	6,623	26,935	205,323	200,347
Lynx	250	1,456	210	899	34,156	20,017
Capri	0	744	0	0	9,311	0
Topaz	949	1,297	1,381	5,346	31,817	32,062
Cougar	2,528	3,023	2,437	10,213	65,613	78,779
Sable	2,624	2,021	2,595	10,477	64,426	69,489
Lincoln Total	3,043	3,641	4,079	15,261	93,943	93,511
Continental	255	400	472	1,542	10,585	9,373
Lincoln	2,367	2,738	3,058	11,529	70,473	70,218
Mark VII	421	503	549	2,190	12,885	13,920
GENERAL MOTORS	78,931	95,910	75,706	300,004	2,309,294	1,903,720
Buick Total	12,811	19,407	13,755	48,468	404,320	301,729
Skyhawk	618	1,960	342	1,541	45,545	15,786
Century	2,772	5,038	3,890	12,173	128,777	92,313
Regal	952	2,235	948	3,825	94,381	23,332
Somerset/Skylark	1,140	2,822	1,135	4,628	56,470	36,584
LeSabre (fwd)	4,550	5,039	4,662	17,737	67,076	69,123
LeSabre (rwd)	138	317	81	333	7,553	5,237
Electra (fwd)	2,400	1,233	2,443	7,252	51,364	51,116
Riviera	241	763	254	979	13,154	8,238
Cadillac Total	5,411	8,178	5,393	21,710	176,3[illegible]	151,814
Cimarron	206	644	181	752	14,345	7,409
Allante	150	0	135	571	0	2,078
Brougham (rwd)	1,080	2,158	1,000	4,266	49,102	38,089
DeVille (fwd)	2,884	4,029	2,903	11,721	89,003	81,728
Eldorado	573	673	606	2,313	12,697	10,131
Seville	518	674	563	2,087	11,242	12,379
Chevrolet Total	26,162	26,283	28,331	105,396	716,565	715,066
Chevette	0	2,154	0	0	57,475	0
Camaro	3,502	4,117	3,382	11,109	105,703	56,119
Cavalier	8,344	8,743	8,471	33,260	219,435	189,611
Celebrity	650	4,728	5,717	18,042	147,685	176,147
Corsica/Beretta	7,250	0	7009	25,314	0	140,884
Monte Carlo	1,178	2,325	1,204	4,846	56,186	37,006
Chevrolet	4,588	3,572	1,928	10,254	115,591	100,005
Corvette	640	846	640	2,571	14,490	15,294
Oldsmobile Total	17,334	22,187	15,380	64,247	573,728	365,675
Firenza	709	380	621	2,373	22,449	6,273
Calais	3,660	2,017	3,636	14,833	64,829	68,245
Cutlass Ciera	4,996	6,088	5,161	19,932	141,939	96,400
Cutlass Supreme	1,890	1,942	1,870	7,241	82,086	37,637
88 (fwd)	4,095	6,554	2,171	12,253	181,840	98,049
88 (rwd)	510	509	412	1,898	11,732	9,972
Olds 98	956	2,156	965	3,627	59,355	35,740
Toronado	518	541	544	2,090	9,488	9,752
Pontiac Total	17,213	19,855	12,847	80,183	436,292	369,436
Acadian*	0	647	0	0	10,011	0
Fiero	1,192	1,736	982	4,237	40,302	20,275
1000	0	1,304	0	0	18,080	0
Firebird	2,142	3,682	2,058	6,806	61,499	40,986
2000 Sunbird	2,264	3,283	2,524	9,413	74,641	59,094
Grand Am	6,220	4,890	5,163	23,868	115,000	132,935
6000	2,045	3,308	1,995	6,099	79,352	42,175
Bonneville	3,125	0	0	9,210	0	68,561
Safari/Parisienne	225	1,005	125	552	37,407	5,400
HONDA	6,550	4,890	6,281	26,171	96,719	163,801
Chic	2,350	0	2688	11,104	0	55,539
Accord	4,200	4,890	3,573	15,067	96,719	108,262
NISSAN	2,940	0	2,957	11,831	21,517	70,724
SUMMI	3,750	3,832	3,992	15,837	91,108	66,462
Corolla	750	0	880	3,397	0	19,939
Nova	3,000	3,832	3,103	12,440	91,108	76,523
VOLKSWAGEN	2,000	2,023	1,999	8,028	46,293	39,515
Golf/GTI	1,750	2,023	1,749	7,028	46,293	33,364
Jetta	250	0	250	1,000	0	6,151
Total Cars, U.S.	182,099	175,719	182,750	699,671	4,252,322	3,869,929
Total Cars, Canada	18,038	24,560	18,298	72,372	591,952	418,201
U. American Cars	170,137	200,278	171,046	681,043	4,844,274	4,288,130
N. Am. Trucks	94,109	91,367	95,977	379,245	2,329,861	2,307,697
North American Cars and Trucks	264,246	291,645	267,023	1,060,288	7,174,135	6,595,827

OUTPUT

FROM PAGE 1

If Ford or GM is struck, third-quarter production would be reduced, he said. A four-week strike at GM would "rescue" the industry, he said.

He estimates the UAW has a strike fund of $675 million, sufficient to last 12 weeks against GM.

Michael Luckey, analyst at Shearson Lehman Brothers, also said the third-quarter forecast needs to be cut by about 225,000 cars.

Luckey said the bulk of the needed cuts will have to come from GM's schedule. Extended downtime, small cutbacks and more incentives will be used if GM wants to retain its market share, he said.

GM may not even mind a strike to help its situation, Luckey said.

Ford's production schedule is in good shape, said Luckey. Its inventory is manageable, and if it decides it will be the strike target, it may even add to its third-quarter schedule, he said.

Chrysler had 79,000 units more than normal at the end of May and its market share is down, due in part to the halt of Omni/Horizon production, Glantz said.

"They will have to do something about the LeBaron Coupe built at St. Louis (No. 1), it is a disaster," he said.

In May, dealers were able to sell only 35 percent of the LeBaron Coupes delivered to them. Sales were 5,805 and they received 16,486 — leaving a 143-day supply of a brand-new car, Glantz said. That plant might see an extended shutdown, he said.

Other factors affecting third-quarter production include GM's plans to extend changeover downtime at many plants and Volkswagen of America's plans to shut its plant in Westmoreland, Pa., for almost two months. The normal model changeover time is about two weeks.

Third-quarter forecasts are: GM, 723,610, down 12.64 percent from the year-ago quarter's 828,299; Ford, 363,000, down 5.39 percent from 383,668; Chrysler, 220,000, down 18.39 percent from 269,581; American Motors, zero, down from 12,491; Honda of America Manufacturing Co., 74,855, up 15.95 from 64,559; New United Motor Manufacturing Inc., 48,000, down 3.65 percent from 49,820; Nissan Motor Manfacturing Co. U.S.A., 29,640, which is more than double its 1986 schedule when the plant was idle during most of the quarter; and Volkswagen, 5,800, down 63.11 percent from 15,721.

Honda expands Ohio engine plant

ANNA, Ohio — Honda of America Manufacturing Inc. broke ground last week on the $450 million expansion of its engine plant.

The expansion, totaling 650,000 square feet, includes a new area for engine production and a suspension and components plant.

The expanded plant will produce engines, drivetrains and suspension components for the Honda Accord. Production of Civic engines and drivetrain components will be increased.

When the expansion is complete in 1990, the plant will produce 360,000 engines a year. Honda will then be the first "transplant" Japanese automaker building all the high-value major components in the United States for the cars it builds here.

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July 6, 1987

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GM staggers intro dates; Chevy first

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet will apparently beat the other General Motors lines to the starting gate with its 1988 models.

A survey of 1988 new-product introduction dates shows Chevy planning to launch its models on Sept. 24, with most of the other GM cars to follow on Oct. 1. GM is also scheduling a number of mid-year introductions this year.

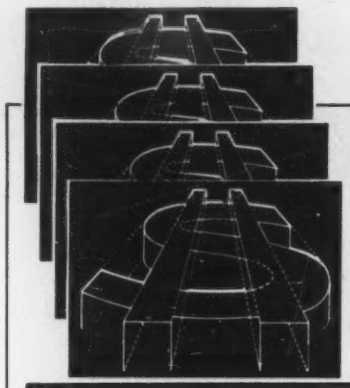
Chrysler Motors is planning a single introduction date for everything but its Maserati-built coupe, and that is likely to be a 1989 model. Ford Motor Co. is scheduling two dates: one for carryover models and a December introduction for its new front-wheel-drive Lincolns. American Motors is staggering its introductions, as well.

GM traditionally introduces all its carryover vehicles on one date, with some all-new models arriving later. The last time GM staggered its introduction dates was in the fall of 1983 when 1984-model Pontiacs were introduced 10 days before the other divisions' cars.

Spot checks of dealers throughout the country found mixed reaction to the planned staggered introductions.

An automaker's introduction

see INTROS, page 46



HOW 1987 IS SHAPING UP

	GENERAL MOTORS David C. Munro	FORD MOTOR CO. John V. Deaver	CHRYSLER CORP. Donald P. Hilty
Motor Vehicle Sales	14.75 - 15.0 million	14.9 million	14.7 million
Car Sales	10.0 - 10.25 million	10.0 million	10.0 million
Truck Sales	4.75 million	4.9 million	4.7 million
U.S. Economic Growth (Gross National Product)	2.5%	2.3%	2%
Inflation (Consumer Price Index)	3.5%	3.6%	4%
Interest Rates	Flat to up	Decreasing by year-end	Downward but will move up by year-end
Unemployment Rate (Now/until end of year)	Stable	Edging upward	Higher in second half than first
U.S. Dollar	Flat to declining	Moving downward	Resume depreciation
Consumer Attitudes	Reasonably steady; strong by historic standards	Relatively high; improving	Downward slide

RUTH SKURDA

Big 3 cut auto-sales forecast

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Corporate economists for the Big 3 automakers have downgraded their forecasts for 1987 U.S. car sales because of a weaker-than-expected economy and sales stolen by 1986 incentives.

At the same time, the economists have boosted their projections for truck sales for 1987.

The average of the Big 3 economists' forecasts indicates car sales will total about 10.0 million for the calendar year. That would be down 13 percent from 1986's 11.5 million.

It also means car sales will have to move at a faster clip in the second half of the year than they did in the first half to meet the full-year projections.

Car sales in the first half of 1987 ran at annualized rate of 10.0 million or less, said David C. Munro, a General Motors economist. The five-month total for domestics and imports was 4,147,809.

Truck sales, the economists predict, will match or surpass by a slight margin 1986's record 4.7 million units. The economists said trucks continue to outdo their predictions because potential car buyers are switching to trucks.

see FORECAST, page 45

Opel Senator gives GM new European ammo

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

STOCKHOLM, Sweden — General Motors is aiming at a bigger share of the European luxury-car market with its new, top-of-the-line Opel Senator that is due this fall.

GM is counting on its new European flagship to be a more formidable competitor for mid-range Mercedes-Benz models, the BMW 5 series, the Audi 100 (5000) and the Ford Scorpio than was its predecessor.

The car might also be sold in the United States if GM goes ahead with a plan to sell high-priced Opels in the luxury import segment. Company officials say the U.S. import plan is being held up by the dollar's weakness against the German mark.

The Senator is based on GM's hot-selling new Opel Omega/Vauxhall Carlton — Europe's Car of the Year in 1986 — just as the previous Senator was derived from the Opel Rekord. But GM said there is more differentiation between the new Senator and the Omega than there

see SENATOR, page 46

Iacocca: "We made mistakes that we will never make again. Period."

GLENN TRIEST

'Common sense'

Odometer snafu 'dumb . . . stupid,' Iacocca says

By Mary Connelly
and Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTERS

Chrysler Corp. Chairman Lee Iacocca last week launched a goodwill program to repair consumer confidence in the wake of three class action lawsuits and a federal indictment of the company and two executives on odometer tampering charges.

Iacocca maintained that Chrysler had acted legally but admitted making a mistake in failing to notify customers that vehicle odometers were disconnected during overnight quality testing programs.

"The only law we broke was the law of common sense," Iacocca said at a press conference called last week to lay out Chrysler's response.

"We made mistakes that we will never make again. Period."

Chrysler expected to notify dealers and affected vehicle owners of the program by early this week.

Meanwhile, auction houses reported no change in the prices or trading of Chrysler vehicles. And lawyers representing car owners in lawsuits against Chrysler were reassessing their strategies in light of the company's announcement.

The Chrysler goodwill program followed a flurry of unfavorable publicity. Iacocca said a

see CHRYSLER, page 45

Autolatina underway, expects losses — Page 2
GM, Chrysler shuffle incentives — Page 3
Volkswagen wins class action engine suit — Page 4

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Ford moves $100 million ad account

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. last week shuffled account assignments for three of its four major ad agencies. The net result was that J. Walter Thompson, which recently agreed to be acquired by London-based WPP Group, lost an estimated $100 million in annual billings.

Ford called the account shuffle a "consolidation" and said it had been under consideration for some time. "It is more of a coincidence than anything else that it happened during the WPP takeover thing," a spokesman said.

J. Walter Thompson retains the Ford Division car and truck ad accounts, which it has handled since 1943, and Young & Rubicam retains the Lincoln-Mercury Division account.

Dealer ad group business handled by the two agencies through the Ford Dealer Advertising Fund and Lincoln-Mercury Dealer Association seemed unlikely to be affected, according to agency sources close to the decision.

Oglivy & Mather, which recently withdrew from competition for the Nissan Motor Corp. in U.S.A. account, was a big winner. O&M picked up the former JWT ad accounts of Ford affiliates in Austria, Belgium, Denmark, France, Italy, the Netherlands, Spain, Sweden and Switzerland while retaining the Ford of Britain account.

O&M also picked up the Ford Parts & Service Division account in the United States. That account had been handled by Y&R, which gained the Ford of Canada account. That account had been handled in Toronto by JWT, with Vickers & Benson.

Y&R also retained the Ford of Germany and Ford of Finland accounts.

Ford also put up for review JWT accounts in Mexico and Venezuela.

Ford's other major agency, Wells, Rich, Greene, which handles the corporate account, was not involved in the shuffle.

"We're very pleased to give both Young & Rubicam and Oglivy & Mather expanded responsibilities," said Ford President Harold A. Poling when he made the announcement.

The decision to shuffle the accounts was the result of discussions involving Ford corporate officials, as well as advertising and marketing executives from Ford Division, Lincoln-Mercury and North American Automotive Operations.

AUTOMOTIVE NEWS/JOE WILSSENS
Jim Falloon, left, plant manager, and Smith in a full-size pickup

Building spree ending

As GM dedicates Indiana truck plant

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

FORT WAYNE, Ind. — General Motors held dedication ceremonies for its truck plant here, one of the last all-new assembly plants to be built by the automaker during this century.

GM Chairman Roger B. Smith said that when the Saturn plant in Spring Hill, Tenn., is completed in 1990 and the Fairfax plant near Kansas City, Mo., is running later this year, GM will take a break from building new plants.

"Then I don't think we're going to need another assembly plant in this century," Smith said, adding that GM has built or modernized 18 assembly plants in six years at a cost of $40 billion.

Smith was booed repeatedly by some workers at the plant as he was introduced at the dedication ceremonies. However, by the end of his speech, he apparently had won the crowd over: No booing followed his talk and workers rushed up to shake the chairman's hand as he toured the plant.

Ground was broken for the Fort Wayne plant, in which GM invested $500 million, in November 1984. About 2,400 of the 3,000 workers at the plant came from other GM facilities including St. Louis; Janesville, Wis.; and Flint, Mich.

The plant has been producing GM's new line of full-size pickup trucks since December. For GM, the plant represents the latest in automation, with 144 robots, 300 programmable controllers, 25 cell controllers and 105 automated guided vehicles.

In addition, the plant is to be a showcase for manufacturing automation protocol, a communications link between the pieces of automation equipment that has been pushed worldwide by GM.

In installing the automation, the plant brought together the automaker's recently acquired high-tech subsidiaries, Electronic Data Systems and Hughes Aircraft. EDS designed and installed the hardware and software while Hughes debugged it and got it running. Hughes also helped in tying together all of the plant's cells of automation.

On the people side, GM would like the Fort Wayne plant to be the showcase for the team concept of production, a labor practice GM is pushing to spread throughout its plants.

Smith told workers at the plant during dedication ceremonies last week that the plant will be a role model for other GM facilities.

"When I look at this facility," he said, "and at what you've been able to accomplish in these few short months, what I see is the future of General Motors."

The Fort Wayne plant will add a second shift on July 20. At full capacity with two shifts, the plant will build 230,000 units a year.

The plant is one of three producing the new full-size pickup truck but is the only plant which was built from the ground up. The same trucks are also produced in plants in Pontiac, Mich., and Oshawa, Ontario.

No perks, no sales: GM, Chrysler pad incentive lineup

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

General Motors and Chrysler Motors have once again shuffled their incentive programs on selected car and truck models to match the competition.

Models that were dropped two weeks ago from incentive programs at Pontiac, Buick and Oldsmobile were reinstated last week. Those GM dealers contribute approximately one-third of the cost of the incentive program. Meanwhile, Chrysler added several models to its incentive lineup.

Pontiac said last week its Grand Am and Pontiac 6000 models have been put back in the incentive lineup with $500 cash rebates or cut-rate financing. An $800 rebate or cut-rate financing is offered on Pontiac 6000 STE models.

Those models were previously excluded when Pontiac extended its incentives two weeks ago. The Pontiac incentive program ends Aug. 6.

Buick added Skyhawk and Somerset/Skylark to its incentive program with $500 rebates or low-interest financing on those models. The Buick program also ends Aug. 6.

Oldsmobile reinstated Cutlass Ciera, Cutlass Cruiser, Firenza and Calais models to its incentive program with $500 rebates or low-cost financing. The Oldsmobile incentive program has no ending date.

GMC Truck extended all of its incentive programs until Aug. 6 with no changes.

At a press conference at GM's Fort Wayne, Ind., truck plant, GM Chairman Roger B. Smith rebutted rumors that GM will offer a big, very-low-interest-rate program at the end of the 1987 model year.

"Don't hold your breath because I don't see that in the cards," Smith said. "We've got a good program out there right now."

Chrysler announced its "Hot Summer Savings" incentive program on June 30. It offers cash rebates and low-interest financing on selected cars and trucks.

The program began July 1 and does not have an ending date. There is no dealer financial participation. Consumers must purchase vehicles from dealer stock.

Buyers of the Chrysler Fifth Avenue, Chrysler LeBaron GTS and Dodge Lancer models may choose a $750 cash rebate or financing between 3.7 percent for 24 months and 9.9 percent for 60 months. Those models were not included in the previous program that ended June 30.

Dodge Ramcharger, Dodge Dakota (excluding S model), Dodge Raider, Chrysler LeBaron Coupe (excluding convertible), Chrysler LeBaron and Dodge Daytona carry $500 rebates or low-interest financing.

Plymouth Sundance and Dodge Shadow, Plymouth Reliant and Dodge Aries, Colt (including Vista models), Dodge Ram 50 and Power Ram 50 have $300 rebates or low financing.

Peugeot offering up to $3,000 in rebates, floorplanning help

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Peugeot Motors of America is offering up to $3,000 in rebates to clear 1987 model inventories.

The promotion involves incentives for sales staff and extended floorplanning.

Dealers and Peugeot Motors of America will split the cost of the new program. The importer said the plan had the approval of the dealer council.

Incentives will be offered virtually across the board: $1,500 on four-cylinder sedans and wagons; $2,200 on the STI V-6; $2,500 on the STX V-6; $2,700 on turbo sedans and wagons; and $3,000 on Turbo S sedans and wagons.

In addition, according to a Peugeot Motors of America brochure, dealers will receive a "wholesale support plan." This means payments for orders placed between July 1 and Sept. 30 are due Oct. 31. The plan is essentially four months of free floorplanning.

Peugeot Motors of America will advertise the program in the Wall Street Journal and USA Today.

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61st year—No. 5188

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World Congress to address competitive toll

The shifting sands of the automotive marketplace have caused uncertainty for tens of thousands of auto workers faced with plant closures and the loss of their jobs in the face of intensified worldwide competition.

Three prominent speakers will explore many of the critical issues from their own distinct perspectives at the 12th annual Automotive News World Congress, to be held July 26-29 at the Hyatt Rengency Hotel in Dearborn, Mich.

The three speakers in this important area are Robert White, president of the Canadian Auto Workers union; Stephen J. Cabot, a leading management labor relations attorney and partner in the Philadelphia firm of Pechner, Dorfman, Wolffe, Rounick & Cabot; and Congressman Dennis M. Hertel, a Michigan Democrat from the east side of Detroit.

The theme for this year's World Congress is "Facing Up to Competitive Times." White, Cabot and Hertel will address the group on Monday, July 27, when the daily theme is "Recoveries & Strategies for the Domestic Industry."

Cabot, an afternoon speaker, will lead off and discuss "Labor Law Trends in the 1980s and Beyond." A much-in-demand speaker, Cabot has a remarkable record as a management advocate in labor disputes. He previously served as counsel for the General Counsel of the National Labor Relations Board. He has written two books, three manuals and numerous articles on labor law.

Hertel will be the first speaker at the evening general session. The topic is an "Update on Government and the Auto Industry." Hertel will give his outlook on current developments, including the trade bill, plant closings and the ever-increasing impact of competition.

White will close the evening's formal presentations with his speech, "The Labor Story from the Canadian Perspective." A labor leader from the traditional, class-oriented school, White is very active in Canadian politics. He was a prime mover in the CAW's 1985 secession from the UAW, and has led the union since that time. He heads this year's CAW contract bargaining team in talks with the Canadian subsidiaries of Ford Motor Co. and General Motors.

This year's World Congress will feature more than 30 speakers who will share their knowledge and viewpoints on where the car and truck industry stands and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

AUCTION DATES

American Motors

July 7 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

July 8 — Columbus Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

July 9 — Evansville Auto Auction, Evansville, Ind.

July 14 — D-A Auto Auction, New Stanton, Pa.

July 15 — Minneapolis Auto Auction, Plymouth, Minn.

July 16 — Greater Chicago Auto Auction, Chicago; Evansville Auto Auction, Evansville, Ind.; and Todd Auto Auction, Telford, Pa.

July 17 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

July 7 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

July 8 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

July 9 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Used Car Sales
Auction Averages

July to date	$5,922
Month ago	$5,901
Year ago	$5,194

Ford Motor Co.

July 7 — Harrisonburg Auto Auction, Harrisonburg, Va.

July 8 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Salt Lake Auto Auction, Salt Lake City

July 9 — Nashville Auto Auction, Nashville, Tenn., and Bay Cities Auto Auction Inc., Hayward, Calif.

July 10 — Interstate Auto Auction, Mercer, Pa.

July 15 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

Model Breakdown
Auction Averages

	JUL 1987	JUN 1987	MAY 1987
1987	$11,194	$11,113	$11,046
1986	$9,167	$9,187	$9,287
1985	$7,187	$7,191	$7,194
1984	$5,734	$5,727	$5,718
1983	$4,874	$4,852	$4,873
1982	$3,691	$3,687	$3,705
1981	$2,704	$2,680	$2,705
1980	$2,138	$2,134	$2,141
Overall Average	$5,922	$5,900	$5,871

July 16 — Dallas Auto Auction, Dallas, and Minneapolis Auto Auction, Plymouth, Minn.

July 22 — Lakeland Auto Auction, Lakeland, Fla.

July 23 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Bay Cities Auto Auction Inc., Hayward, Calif.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

July 28 — South Seattle Auto Auction, Kent, Wash.

July 29 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

July 30 — Baltimore-Washingon Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

July 7 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and 166 Auto Auction, Springfield, Mo.

July 8 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, Fontana, Calif.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

July 9 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

July 15 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

July 16 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Florida Auto Auction of Orlando, Ocoee, Fla.

July 21 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

July 22 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; and Baltimore-Washington Auto Exchange, Baltimore

July 23 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

July 28 — Harrisonburg Auto Auction, Harrisonburg, Va.

July 29 — Hatfield Auto Auction, Hatfield, Pa.: Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

July 30 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

Limo sale slated

BALTIMORE — Baltimore-Washington Auto Exchange Inc. here will hold a sale of used limousines and livery vehicles July 17.

AUCTION DIRECTORY

SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 1 PM. Mid-South's newest auto auction.

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

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FORECAST

FROM PAGE 1

Donald P. Hilty, Chrysler Corp. economist, said buyers apparently see more unique and interesting vehicles in the truck segment than in the car segment.

The average of the revised forecasts puts total motor-vehicle sales at about 14.8 million units in 1987, down from 1986's 16.2 million.

The economists blame the weak economy, in part, for lower car sales in the first half of the year. Aggressive incentives, such as the 2.9- and 2.4-percent programs offered late last summer, stole some sales from 1987, they said.

Also, the year-end rush to buy vehicles before the Jan. 1 enactment of the tax reform law borrowed sales from 1987. The deduction for sales tax ended Dec. 31, and the deduction for interest on consumer loans is being phased out.

Some payback for the incentives and the December tax rush was expected, but economists said the payback was underestimated.

"The first half didn't shape up as we expected in terms of the hills and valleys," said GM's Munro. "Both the December bulge in auto sales and the subsequent January drop-off were more extensive than anticipated."

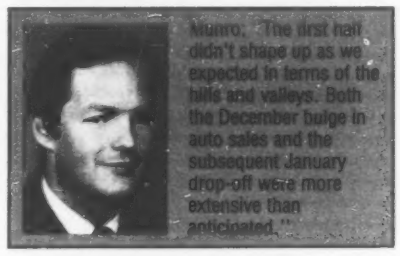
GM's forecast issued in January put total motor-vehicle sales at 15.0 million to 15.2 million units for 1987 — 10.5 million to 10.7 million cars and 4.5 million trucks. Since January, GM has reduced its forecast for car sales and upped its truck forecast to bring total vehicle sales to 15.0 million units at best.

John V. Deaver, Ford Motor Co. economist, has revised his January forecast only slightly, from 15.0 million vehicles to 14.9 million. He, too, has scaled back projections for car sales and boosted estimates for truck sales.

Deaver said his forecast anticipates some modest increase in incentive programs. Sales could be stronger if incentive programs are more aggressive, he said.

Chrysler's Hilty is sticking with the lower end of his forecast issued in January of 14.7 million vehicles. He also has downgraded his forecast for cars and anticipates that truck sales will come in at the upper end of his January forecast.

The economists describe 1988 as likely to be similar to 1987, but they expressed some concern about the possibility of a downward trend.


Munro: "The first half didn't shape up as we expected in terms of the hills and valleys. Both the December bulge in auto sales and the subsequent January drop-off were more extensive than anticipated."

Ford's Deaver said that earlier this year, he had expected a pick-up in the economy and vehicle sales for 1988. He has since lowered his forecast and expects 1988 to have slower economic growth and lower vehicle sales than 1987.

In January, Deaver rated the possibility of a 1988 recession at less than 10 percent. He now gives it a 25 to 30 percent chance. "I don't expect it to happen, and if it does, it won't be a big recession," Deaver said.

GM's Munro said that in January, he gave a 1988 recession a one-in-four or one-in-three chance. By spring, he boosted the possibility to a 40 percent chance but has since lowered the possibility.

Munro said there is nothing clearly wrong with the economy but there also is not a tremendous amount of momentum in the economy, so it is more vulnerable now to occassional glitches like the "potholes" in January and May.

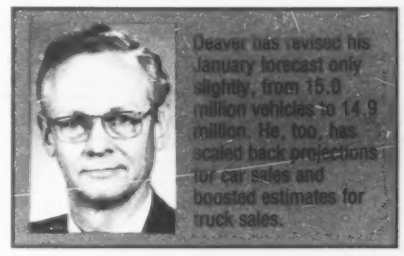
All of the economists sense a nervousness in the economy.

The recovery of the 1980s, long by historic standards, has been led by the consumers. The economists do not expect consumers to spend as they did early in the recovery.

For one thing, tax reform has discouraged vehicle buying, and the negative impact increases yearly. In 1987, for example, the consumer can still deduct 65 percent of the interest on a car loan. That amount will decrease during the next few years until it is phased out entirely.

In addition, interest rates have been jumping around and, as they do, consumers pull back on their spending.

"Consumers become concerned when they see interest rates go up — even if they don't affect them," Deaver said. "They think it could mean a recession so they rein in spending on houses, cars and other durable goods."


Deaver has revised his January forecast only slightly, from 15.0 million vehicles to 14.9 million. He, too, has scaled back projections for car sales and boosted estimates for truck sales.

CHRYSLER

FROM PAGE 1

company sampling indicated 69 percent of those over age 21 in the United States were aware of the situation within two days.

Iacocca said Chrysler will extend the warranty coverage to seven years/70,000 miles for any vehicle tested before October 1986 that can be identified from company records. Chrysler is broadening the coverage for affected vehicle owners. It will now include additional major systems such as brakes, suspension, electrical, steering and air conditioning.

Chrysler altered its odometer policy in October 1986. It now tests 2 percent of its daily build with the vehicle odometer engaged, limits mileage to 65 miles and places a notice of the test mileage in the vehicle.

An estimated 60,000 1985 and 1986 models vehicles are affected, according to the company. Some 1984 models may be covered, depending on record availability.

Iacocca said overnight testing records are kept in assembly plants and records from earlier model years are no longer available.

Tested vehicles were driven an average of 40 miles, he said.

The owners are also entitled to a free inspection at a Chrysler Motors dealership under the warranty with any product deficiency corrected at no cost to the customer. Most of the vehicles had carried 5-year/50,000-mile warranties.

Chrysler has also sent letters to owners of all vehicles assembled since the first week of October 1986 notifying them that the practice of disconnecting odometers on test vehicles had been discontinued by the time their vehicles were built.

In addition, 40 vehicle owners will be offered new, comparable vehicles at no cost, Iacocca said. Those were test cars repaired and sold as new. They were repaired at costs ranging from $91 to $950, according to Iacocca, with most costing close to the lower amount.

Iacocca called disengaging odometers without customer notification "dumb," but he said selling the vehicles damaged by testing as new "went beyond dumb and reached all the way out to stupid."

Chrysler last week also launched a newspaper and print advertising campaign bearing Iacocca's signature and designed to combat consumer concern. The ads state: "Testing cars is a good idea. Disconnecting odometers is a lousy idea. That's a mistake we won't make again at Chrysler. Period."

Iacocca declined to specify how much the total program will cost

"In total, it's going to be quite a bit of money," he said. "The sixth and seventh year of a warranty is expensive."

Asked if extending and broadening warranty coverage might not alienate owners of older tested vehicles for which the company says no records exist, Iacocca said, "Possibly. But we

A company sampling indicated 69 percent of those over age 21 in the United States were aware of the situation within two days.

— IACOCCA

give them such a long warrranty, we really do take care of them."

Iaocca said he was not personnally aware that odometers were disconnected during vehicle testing until last October when he was notified of the Justice Department investigation.

On June 24, a federal grand jury in St. Louis indicted Chrysler Motors and two senior executives for conspiracy to commit mail fraud, wire fraud and odometer fraud. Chrysler and the executives pleaded innocent. Trial has been set for Aug. 31.

If the 16-count felony indictment against the company is upheld on all counts, Chrysler could face a maximum fine of $120 million.

The two executives, Frank J. O'Reilly and Allen F. Scudder, were charged in a single misdemeanor count of conspiracy to commit odometer fraud. If convicted, they face a maximum penalty of one year in prison and fines.

The company also faces three class-action lawsuits. One was filed in November in the U.S. District Court for Southern Illinois, and the other two were filed June 25 and June 29 in U.S. District Court in St. Louis.

None of the suits is presently certified for class action but the closest one to gaining certification was the one filed in Illinois by attorney Nicholas H. Ores representing Gordon E. and Stephanie Maag.

In their $300 million lawsuit, the couple charges that the value of their 1986 Plymouth Voyager was diminished by Chrysler's overnight evaluation programs in which odometers were disconntected.

"Chrysler does not appear to be making a settlement offer, so if my clients receive something from the company, I will see what it says before making a recommendation on whether to accept it," Ores said. "The Chrysler offer does not appear to have any effect on civil or criminal matters. It appears to be more of an advertising position."

Under federal odometer laws, customers could each be entitled to a minimum of $1,500 — the fine set by the government — if a class-action suit is won in court, he said.

There also could be other damages awarded under common law or state laws if it is proved the Chrysler testing program was "willfully concealed" and therefore fraudulent, said Ores.

On Friday, Ores will argue against a motion by Chrysler to dismiss the lawsuit. If he is successful, he then will ask for class certification.

Chrysler maintains the lawsuit "fails to state a claim."

If certification is granted, the framework for the class is set.

Ores suggested the class could consist of all Chrysler car buyers between October 1972, when the odometer law was enacted by Congress, and October 1986, when Chrysler stopped testing cars with the odometer disconnected.

If fraud is proved, the class could consist of all customers with test-program vehicles dating back to 1949, said Ores.

In a separate class-action suit filed against Chrysler on June 25, a Hazelwood, Mo., woman claims the altered odmometer on her 1986 Plymouth Gran Fury caused her vehicle to depreciate by $5,000. The suit was filed on behalf of Shirley A. Jones by attorney Hardy C. Menees. It does not specify damages sought.

In a third class-action suit filed June 29 in the same court, George Saitta, of Pennsylvania, and Edward J. Rabetich, of New Jersey, are suing Chrysler as individuals and as part of a class of similar individuals.

The lawsuit asks for damages of a minimum of $1,500 per class member in addition to lawyer fees and three times any other damages awarded by the court to class members.

Owners of automobile auctions where dealers buy and sell cars said Chrysler products were unaffected by the indictments, lawsuits and publicity.

Larry Treble, owner of Southern Auto Auction in East Windsor, Conn., said there has been no noticeable affect on trading of Chrysler vehicles at the auction.

"Convertibles are as strong as ever and we lack Dodge trucks and minivans," he said. "I wouldn't expect this to affect sales for another three weeks if ever."

Bill Reid, manager of Memphis Auto Auction in Tennessee, said: "None of the buyers have shied away from the Chrysler products — nobody's even thinking about it."

And Joe Greco, manager of Florida Auto Auction of Orlando, said he sells Chrysler "brass-hat cars" at the auction and trading has remained exactly the same as it was prior to the indictments.

"We sell 7,000 Chryslers through here a year, and sales have been exactly the same — there has been no reflection here whatsoever," he said.

However, one auction owner said a Chrysler representative made an unusual announcement at a recent auction.

"The auction was stopped so he could tell buyers that the mileage on a particular Chrylser vehicle and the odometer reading were not the same," he said.

He added that dealers were amused by the revelation.

OBITUARIES

Howard F. Hembrough

JACKSONVILLE, Ill. — Howard F. Hembrough, 50, a Volkswagen-Porsche-Audi dealer in Springfield from 1972 to 1985, died June 14. He once served as president of the advisory board of Volkswagen of America.

Thomas A. Amatucci

WASHINGTON — Thomas A. Amatucci, 87, an automobile dealer from 1917 through the 1950s, died June 17 in Ormond Beach, Fla. Mr. Amatucci opened a Maxwell dealership in Salem, Mass., in 1917. In 1922, he moved to the Washington area and opened a Studebaker dealership. He acquired a DeSoto dealership in 1926, a Chrysler dealership in 1929 and a Plymouth dealership in 1932. By 1941, his Chrysler-Plymouth outlet had become one of the largest in the nation. In 1954, he acquired a Chevrolet dealership in Wheaton, Md.

Dan Boone

LOS ANGELES — Dan Boone, an automotive writer and advertising executive here for more than 25 years, died June 27. He was 67. Mr. Boone was auto editor of the Los Angeles Herald Examiner for 16 years before leaving in 1976 to become executive director of the Southern California Motor Car Dealers Association. He later joined E.F. McDonald Co. as an account executive and retired in 1986.

Kelley Blue Book offers computerized appraisals

IRVINE, Calif. — Kelley Blue Book, an automobile appraising firm, has introduced a computerized, on-line service to provide instant car-value appraisals and other price and inventory information.

The service, called KAR for Kelley Appraisal Report, is available to persons using IBM PCs or compatibles through the TYMENT public data network. The network can be accessed in more than 600 locations across the United States and in 65 countries.

Kelley is marketing the system to auto dealerships.

PRODUCTION

Holiday slices auto output

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's U.S. auto production dipped tremendously from the prior week's build because of the holiday and downtime at several plants.

Automakers scheduled 81,980 cars last week, 43.74 percent below the previous week's 145,711 and 25.34 percent below the year-ago week's 109,799. The year-ago week's output was also affected by the holiday.

So far this year, 3,945,521 cars have been assembled, 9.54 percent below the 4,361,712 completed last year at this point.

Last week's targeted build was split as follows: General Motors, 72.07 percent; Chrysler Motors, 14.33 percent; Honda of America Manufacturing Inc., 7.99 percent; New United Motor Manufacturing Inc., 3.66 percent; and Volkswagen of America, 1.95 percent.

Nissan Motor Manufacturing Co. U.S.A. and Ford Motor Co. plants were idle last week for vacation. The plants are scheduled to resume output July 13.

As noted earlier, American Motors has ended output of its 1987 Alliance line.

GM's Wentzville, Mo., and Lansing (No. 2), Mich., plants shut down today for model changeover. The Wentzville plant is expected to re-open Aug. 3; the first shift at Lansing will resume Aug. 8; the second shift, Aug. 17.

GM's Orion Township, Mich., plant will be closed from July 8 to Aug. 17 for model changeover.

The following GM plants remain down for model changeover: Clark Avenue, Detroit, until July 22; Leeds, Mo., until Aug. 3; Lordstown, Ohio until Aug. 24; Pontiac Fiero in Pontiac, Mich. until Aug. 24; Detroit-Hamtramck, until Aug. 24; Arlington, Texas, until Sept. 14; and Doraville, Ga., until November.

As previously reported, Chrysler's Belvidere, Ill., and Newark, Del., plants are idle for model changeover. Both are expected to resume production in mid-July.

All assembly plants were closed Friday for the holiday.

Truck build drops in short week

Last week's estimated domestic truck production fell 54.21 percent to 33,260 from the previous week's 72,643, due to the holiday and plant downtime.

The week's output was 15.58 percent below the year-ago week's 39,398, which was also a holiday week.

Year-to-date, 1,922,187 trucks have been assembled, 1.80 percent more than the 1,888,212 built last year at this time.

Ford Motor Co. and Nissan Motor Manufacturing Co. U.S.A. plants were idle last week for vacation. Production is slated to resume July 13.

All plants were closed last Friday for the holiday.

A holiday week in Canada, too

Car and truck production in Canada fell last week from the previous week's output because of the Dominion Day holiday.

Last week's targeted Canadian auto production totaled 12,592, 27.86 percent below the previous week's 17,455 and 33.38 percent below the year-ago week's 18,901.

So far this year, 430,210 cars have been built, 29.64 percent below the 611,453 completed last year at this point.

Truck output of 14,056 units last week was 25.32 percent below the prior week's 18,822 but 11.58 percent more than the year-ago week's 12,597.

Year-to-date, 430,092 trucks have been assembled, 12.15 percent below the 489,578 built last year at this time.

Canadian plants were closed last Friday for Dominion Day.

CANADIAN CAR	Week Ended July 4, 1987	Week Ended July 5, 1986	Week Ended June 27, 1987	June Est.	Jan. 1 to July 5, 1986	Jan. 1 to July 4, 1987
AMERICAN MOTORS	110	0	0	244	2,405	2,966
FORD MOTOR	6,541	8,591	10,284	46,197	292,887	274,660
GENERAL MOTORS	5,441	10,130	6,549	27,834	310,430	143,209
HONDA	320	0	417	1,578	0	3,885
VOLVO	180	180	225	972	5,731	5,490
Total Cars, Canada	12,592	18,901	17,455	76,826	611,453	430,210
U.S. TRUCK☆						
CHEVROLET	16,497	18,112	19,008	85,377	638,770	565,492
DODGE	6,100	4,416	7,968	33,337	37,992	145,222
FORD	0	1,780	29,245	121,528	755,430	761,053
GMC	6,570	5,857	8,268	34,456	189,516	197,331
NAVISTAR	1,343	1,290	1,682	7,222	40,117	39,858
JEEP	0	2,997	3,726	17,727	98,850	108,738
NISSAN	0	3,056	0	5,417	67,395	40,543
AM GENERAL*	450	40	450	1,980	1,312	6,450
MISCELLANEOUS*	2,300	1,840	2,300	10,120	59,240	57,500
Total Trucks, U.S.	33,260	39,398	72,643	317,162	1,888,212	1,922,187
CANADIAN TRUCK						
AMERICAN MOTORS	775	705	759	3,395	13,963	17,524
CHRYSLER	5,450	4,231	8,684	36,509	222,519	214,123
FORD	3,040	2,769	3,502	14,851	92,786	82,673
GENERAL MOTORS	4,616	4,735	5,571	22,639	155,032	110,667
NAVISTAR	181	157	226	971	5,256	5,105
Total Trks., Canada	14,056	12,597	18,822	78,365	489,578	430,092
N. Am. Trucks	47,316	51,995	91,465	395,527	2,377,790	2,352,279

—Includes sticker van production. *—Estimate.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mitsubishi-Sterling, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended July 4, 1987	Week Ended July 5, 1986	Week Ended June 27, 1987	June Est.	Jan. 1 to July 5, 1986	Jan. 1 to July 4, 1987
AMERICAN MOTORS	0	0		673	28,595	15,350
Renault Total	0	0	0	673	28,595	15,839
Alliance	0	0	0	673	28,329	15,539
Encore	0	0	0	0	3,266	0
CHRYSLER MOTORS	11,750	28,615	20,928	95,223	741,049	586,666
Plymouth Total	2,250	7,815	4,909	23,023	219,790	179,686
Horizon	0	3,249	0	0	86,107	32,997
Sundance	1,200	269	1,825	6,270	1,140	54,308
Reliant	300	2,982	1,950	9,712	95,102	61,096
Caravelle	700	616	1,002	4,472	27,471	29,322
Gran Fury	50	517	132	571	9,970	2,363
Chrysler Total	5,600	8,450	7,983	37,438	241,323	197,851
Laser	0	666	0	0	25,979	0
LeBaron K	0	1,653	575	5,808	61,291	42,276
LeBaron J	2,600	0	3,480	14,444	0	84,402
LeBaron GTS	600	2,122	920	4,269	36,337	22,987
N. Yorker/E-Class	1,500	1,171	1,739	7,407	46,830	45,358
Fifth Avenue	900	2,838	1,279	5,493	70,896	22,776
Dodge Total	3,900	12,750	8,026	34,760	279,935	216,381
Daytona	1,300	1,125	1,747	7,229	28,325	31,694
Omni	0	4,124	0	0	81,396	28,363
Shadow	1,200	253	2,283	9,904	1,017	55,560
Aries	300	3,119	2,254	9,383	73,633	58,257
Dodge 600	600	1,566	966	4,217	45,019	25,764
Lancer	400	1,313	530	2,519	30,842	14,466
Diplomat	200	1,250	276	1,508	19,852	4,277
FORD MOTOR	0	3,571	37,070	155,674	946,285	996,120
Ford Division	0	2,979	27,516	113,318	646,658	702,102
Escort	0	0	8,661	33,998	263,895	191,122
Mustang	0	2,979	4,372	17,924	103,873	110,229
Tempo	0	0	2,801	14,266	105,393	97,181
Taurus	0	0	7,998	31,928	148,532	218,716
Thunderbird	0	0	3,684	15,202	84,965	84,854
L-M Division	0	592	9,554	42,356	239,627	294,018
Mercury Total	0	592	6,494	27,078	205,721	200,490
Lynx	0	0	251	900	34,185	20,016
Capri	0	592	0	0	9,889	0
Topaz	0	0	1,094	5,491	31,796	32,207
Cougar	0	0	2,541	10,228	65,593	78,792
Sable	0	0	2,608	10,461	64,256	69,473
Lincoln Total	0	0	3,060	15,278	93,906	93,528
Continental	0	0	246	1,533	10,578	9,364
Lincoln	0	0	2,385	11,547	70,446	70,236
Mark VII	0	0	429	2,198	12,882	13,928
GENERAL MOTORS	59,080	71,962	75,350	320,055	2,384,460	1,939,219
Buick Total	10,867	14,623	12,687	52,691	420,128	312,472
Skyhawk	837	1,886	487	1,725	47,542	16,472
Century	2,686	3,933	2,743	13,223	132,663	94,982
Regal	958	1,648	924	4,180	36,032	24,262
Somerset/Skylark	811	2,154	1,159	4,971	58,727	37,414
LeSabre (fwd)	3,640	3,456	4,669	19,312	71,333	72,882
LeSabre (rwd)	106	284	64	301	7,800	5,269
Electra (fwd)	1,787	841	2,420	7,987	52,168	52,923
Riviera	30	421	241	991	13,861	8,268
Cadillac Total	4,156	4,779	5,517	23,478	181,074	156,076
Cimarron	200	323	202	828	14,681	7,605
Allante	150	0	152	633	0	2,230
Brougham (rwd)	540	0	1,062	4,504	49,102	38,711
DeVille (fwd)	2,290	3,212	2,868	12,621	92,227	84,002
Eldorado	480	615	650	2,574	13,259	10,668
Seville	416	629	583	2,318	11,805	12,860
Chevrolet Total	21,914	18,834	23,549	111,546	737,913	734,367
Chevette	0	1,645	0	0	58,918	0
Camaro	3,206	3,217	3,475	12,364	109,019	59,298
Cavalier	3,713	6,785	8,086	34,486	226,194	193,045
Celebrity	4,600	2,807	680	19,912	150,504	180,777
Corvica/Beretta	6,000	0	7548	28,012	0	147,182
Monte Carlo	939	1,748	1,108	5,152	60,577	37,875
Chevrolet	2,816	2,113	2,031	8,813	117,693	100,254
Corvette	640	519	642	2,829	15,008	15,936
Oldsmobile Total	11,559	18,291	17,147	66,684	562,547	377,047
Firenza	852	265	972	2,597	22,697	6,888
Calais	2,907	1,544	3,687	16,023	66,451	71,179
Cutlass Ciera	2,395	6,101	5,038	20,932	148,606	99,845
Cutlass Supreme	1,326	1,398	1,698	7,577	83,750	38,769
88 (fwd)	3,135	6,584	4,057	13,469	187,591	101,146
98 (rwd)	82	0	444	1,865	12,241	9,988
Olds 98	862	1,909	1,003	4,027	61,266	36,669
Toronado	180	490	550	2,194	9,945	9,964
Pontiac Total	10,584	15,435	16,450	63,654	452,800	379,257
Acadian*	0	539	0	0	10,658	0
Fiero	0	1,374	1,146	4,191	41,686	20,229
1000	0	641	0	0	19,157	0
Firebird	1,748	2,922	2,103	7,466	64,458	42,705
2000 Sunbird	0	2,620	2,046	9,195	77,355	58,876
Grand Am	4,200	3,783	5,933	25,259	118,930	136,848
6000	1,636	2,545	2,029	6,737	82,009	43,795
Bonneville	2,512	0	3097	10,187	0	71,045
Safari/Parisienne	488	1,011	98	616	38,547	5,759
HONDA	6,550	0	6,235	28,476	96,719	170,036
Civic	2,150	0	2204	11,618	0	57,543
Accord	4,400	0	4,031	16,858	96,719	112,493
NISSAN	0	0	0	8,891	21,517	67,784
NUMMI	3,000	3,832	4,093	17,380	95,172	99,805
Corolla	600	0	893	3,780	0	20,682
Nova	2,400	3,832	3,200	13,600	95,172	79,123
VOLKSWAGEN	1,600	1,619	2,035	8,703	47,916	41,150
Golf/GTI	1,400	1,619	1,785	7,623	47,916	34,799
Jetta	200	0	250	1,080	0	6,351
Total Cars, U.S.	81,980	109,799	145,711	635,075	4,361,712	3,945,521
Total Cars, Canada	12,592	18,901	17,455	76,826	611,453	430,210
N. American Cars	94,572	128,700	163,166	711,901	4,973,165	4,375,731
N. Am. Trucks	47,316	51,995	91,465	395,527	2,377,790	2,352,279
North American Cars and Trucks	141,888	180,695	254,631	1,107,428	7,350,955	6,728,010

*—All Acadians are built in Canada.
Monthly estimates may contain error of 500 or two units due to rounding.

RESOLD

Masco acquires Cars & Concepts

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

TAYLOR, Mich. — For the second time in less than a year, C&C and its wholly owned subsidiary, Cars & Concepts, have changed ownership.

Masco Industries announced Tuesday it purchased the Brighton, Mich.-based manufacturer of specially designed and installed convertibles, T-roofs, vinyl roofs and sunroofs for an undisclosed amount.

Masco is not expected to change the management of C&C. "We buy good companies and keep the management," a Masco spokesman said. "We don't buy turn-around companies and fire the management."

The fit gives Masco manufacturing capability and provides C&C with a greater engineering base.

The long-range plan is for C&C to become a coach builder for luxury cars, sports or recreation vehicles.

C&C was purchased in a highly leveraged management buyout last August for roughly $25 million from entrepreneur and company founder Richard R. Chrysler, who then turned his attentions toward politics in an unsuccessful bid for the Michigan governorship.

David L. Draper, company president; Mel Raznick, an attorney; and five other top-level C&C managers constituted the buyout team at that time.

In February, C&C said it would make a public offering of 1.2 million shares of its common stock. Company officials expected shares to be in the $13 to $15 range, but the proposed offering never left the ground. However, it did spur inquiries from companies like Masco.

"Interest by Masco and other companies was strong enough to delay the stock offering and pursue other possibilities," said a C&C spokesman.

Although the 1986 fiscal year ended Aug. 31 was a record year for C&C, with roughly $100 million in sales, a company official labeled the following quarter as the worst in company history, saying retooling by Ford and C&C for the Mustang took 60 days.

He said the company had record sales again in March and April of this year.

John C. Nicholls Jr., Masco director of investor relations, said C&C was profitable but "had some working capital problems which it obviously doesn't have now."

Masco posted sales of $712 million last year.

All three domestic automakers are customers of C&C in addition to a large portion of the the aftermarket. Ford is the company's largest customer with an estimated 25 percent of C&C's business.

Masco Industries, based in Taylor, Mich., maufactures custom engineered and other specialty commercial and industrial products. For the auto industry, it makes engine and drivetrain parts.

The company recently acquired two other Michigan companies, Taylor Building Products and Tom McGuane Industries, with combined sales of approximately $150 million.

The aggregate purchase price of the three companies is approximately $100 million in cash and common stock. Additional purchase price payments are contingent on increases in future earnings of the acquired companies.

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Analysts see 4% dip in profits

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

The Big 3 automakers are expected to report combined second-quarter profits of about $2.44 billion, about 4 percent less than they earned in the second quarter of 1986.

Higher profits are expected at Ford Motor Co. General Motors and Chrysler Corp. earnings are predicted to be lower than in 1986.

GM and Ford will announce their financial results the week of July 20. Chrysler's will be released later in the month.

Based on an average of forecasts by auto anlysts, the Big 3 will report combined earnings of $2.44 billion in the second quarter, compared with $2.54 billion in the second quarter of 1986.

EARNINGS FORECAST
(in millions)
GM
Ford
Chrysler
Big 3
2nd Qtr. '87* $ 800 $1,400 $ 235 $2,435
2nd Qtr. '86 978 1,078 488 2,544
Full-Yr. '87* 2,840 4,600 800 8,240
Full-Yr. '86 2,945 3,285 1,400 7,630
(Averages of 11 auto analysts for GM and Ford; 9 for Chrysler)*

AUTOMOTIVE NEWS/CHARLOTTE WINTER

Analysts estimate GM will report earnings of about $800 million for the second quarter, down from last year's second-quarter profit of $978 million.

Analysts point out that GM is expected to make a change in its accounting procedures which would boost its bottom line by nearly $360 million for the year. However, it is not known in which quarter GM will make the change.

Ford is expected to report second-quarter profits of $1.40 billion, a 30 percent increase from 1986's second quarter earnings of $1.08 billion.

Chrysler is expected to report profits of about $235 million for the second quarter, compared with $488 million in the year-ago period.

Combined full-year earnings for the Big 3 are now predicted to be higher in 1987 than they were in 1986, based on an average of forecasts by the auto analysts.

They predict the Big 3 will earn $8.24 billion in 1987. That would be an 8 percent increase over 1986's combined profits of $7.63 billion.

In April, an average of forecasts put Big 3 earnings at $6.70 billion for 1987, which would be a 12 percent decrease.

Recently, analysts have significantly boosted forecasts for Ford and, to a lesser degree, GM. They have downgraded their earnings estimates for Chrysler because of its purchase of American Motors.

However, forecasts for Ford and GM vary widely.

Ford, based on the average, will earn $4.60 billion for the year, compared with $3.29 billion in 1986. Estimates vary by as much as $5 a share, which would mean an earnings range from about $3.99 billion to a high of $5.32 billion. The April average of estimates put Ford earnings at only $3.05 billion.

The average forecast for GM now is $2.84 billion for the year, compared with 1986 earnings of $2.95 billion. But analysts' predictions range from $1.98 billion to $3.6 billion. The previous average of estimates put GM's full-year earnings at $2.45 billion.

Analysts expect Chrysler to earn about $800 million for the year, compared with $1.40 billion in 1987. The range for Chrysler is $674 million to $921 million. Before announcement of the AMC purchase, Chrysler's full-year earnings were expected to be $1.17 billion.

GM planning V-12, new V-8 for Cadillac

Lotus involved in program; engines aimed at '92 models

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is developing a 12-cylinder engine that may eventually wind up in an all-new Cadillac.

Sources say the 12-cylinder engine, as well as a new V-8, are being developed for exclusive use by Cadillac. The V-8 is being developed by GM's Lotus subsidiary and the 12-cylinder by GM. GM, however, may decide to bring the V-8 inside and have Lotus build the 12-cylinder engine.

Neither will be ready before 1992 and both will go into all-new vehicles, sources said.

GM's plan would pit Cadillac against Jaguar's XJS, which also is powered by a 12-cylinder engine. BMW plans to offer a similar powerplant this fall. Rumors from Europe insist that Mercedes-Benz is also developing a V-12.

Lloyd Reuss, GM executive vice president in charge of North American car operations and the worldwide Truck & Bus Group, confirmed that a new Cadillac engine is in the works, but he declined to confirm details.

Other projects under development, according to Reuss, include: vehicles exclusive to Cadillac, vehicles exclusive to Oldsmobile and a family of Oldsmobiles built around the new multi-valve Quad 4 engine.

The moves are all part of GM's plan to emphasize design, technology and vehicles exclusive to a single car division, Reuss said.

In the last six years, GM has spent an unprecedented $43 billion on building and modernizing assembly and component plants. Capital spending will decline in the coming years, but spending on product

see GM, page 67

DEALING

U.K. megadealer scouts U.S. market

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

LONDON — Lex Service PLC, a $1.8 billion publicly held British automotive and electronics group and one of the largest car retailers in the world, may enter the U.S. car market through acquisition of an American megadealer.

Chairman Trevor Chinn said in an interview that Lex is interested in buying a multi-point organization with sales of $100 million to $150 million a year.

Lex then would aim at building a U.S. network with volume of at least $500 million, making it one of the biggest dealer groups in the country.

No deal is imminent, but Chinn said, "We do have people wanting to meet us."

The British group has had two

see LEX, page 68

Senate ignores imports' pleas in trade bill

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Senate turned a deaf ear to the pleadings of the import auto industry as lawmakers moved to wrap up trade reform legislation.

Importers and dealers took heart, however, in a veto pledge from U.S. Trade Representative Clayton Yeutter. Yeutter said, "There is no chance whatsoever" that the Senate trade bill can escape a presidential veto. Yeutter's threat came after the Senate dealt two big setbacks to the administration.

First, by a 55-41 vote, the Senate defeated an attempt to strip the trade bill of a provision strengthening protection for domestic industries hurt by imports. The National Automobile Dealers Association, the American Interna-

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Isuzu to add Bitter to U.S. line Page 2
Buick, Olds plan direct-mail incentives Page 3
Stocks dip despite drop in sales Pages 70-71

Buick, Oldsmobile plan direct-mail incentives

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

General Motors' pilot incentive program offering cash rebates of $200 to $1,500 to selected GM owners in four markets apparently will be adopted nationwide by some divisions this month.

The test programs have been successful in helping local dealers reduce inventories and bring customers back into their showroom. Buick dealers attending a regional marketing meeting last week were told the division will launch its own version of the owner's rebate program for Buick customers nationwide. One dealer attending the meeting, who spoke on the condition of anonymity, said Buick on July 10 mailed certificates to present Buick owners.

A reliable source close to Oldsmobile said the division also plans to launch a direct-mail rebate to Oldsmobile owners this month. The division is said to be planning to offer to Oldsmobile owners a choice between rebates — ranging from $300 to $500 in addition to current nationwide retail incentives — or 2 percentage points off low-interest loan rates currently available.

By Friday afternoon, other GM divisions had apparently not made a decision on the program.

GM's Owners First pilot incentive program runs from May 20 to July 31 in the Minneapolis, Cincinnati, Denver and Tampa, Fla., markets. GM is offering rebates to more than 2 million GM owners of 1970 to 1987 GM vehicles in those areas.

The rebates range between $200 and $1,000 in Minneapolis and Tampa and $350 and $1,500 in Cincinnati and Denver and can be used in addition to other incentives. There is no dealer financial participation. Advertising costs, number of customers contacted and letter formats vary in each of the markets. All GM vehicles are included in the program except Lotus, Cadillac Allante and medium- and heavy-duty trucks.

Under the 10-week regional program, the recipient of the letter or a member of his or her immediate family living in the same household can use the letter to receive the rebate. Rebates vary from vehicle to vehicle and buyers can receive bigger rebates if they purchase a vehicle made by the same division as their current vehicle.

Several GM dealers in the four market areas contacted by Automotive News last week said the program has been highly successful in generating sales. "Since the mailing, 45 percent of our car sales have been from Owners First certificate owners," said a large Tampa-area Buick dealer.

Rod Borcherding, owner of Pride Pontiac and Borcherding Buick, Cincinnati, said 45 percent of the June sales at his Pontiac franchise and 36 percent at his Buick franchise were covered by the program.

Rod Creighton, general sales manager at Superior Chevrolet, Cincinnati, said he likes the program because it is straightforward and less confusing than other GM programs offering rebates or cut-rate financing.

"Plus there is no dealer participation, which is a real nightmare," Creighton said.

"I think it's a viable program because it's believable; people can go in and make their best deal and then pull out the certificate," Borcherding said.

Dealers interviewed said the majority of Owners First buyers are purchasing vehicles from the same division as their present vehicle. Steve Cox, president of Cox Chevrolet, Bradenton, Fla., said only five of the 15 to 20 vehicles sold under the program at his store have been purchased by non-Chevrolet owners. An Oldsmobile sales manager in Minneapolis said 50 percent of the vehicles sold under the program were to owners of other GM makes.

Despite generally positive feedback for the program, there were some dissenters. Jack Douglas, general sales manager of Dew Cadillac, St. Petersburg, Fla., said the flurry of activity over the program lasted only 10 days at his dealership.

"I don't think you can run something for 40 days and have it be effective," said Douglas, who said he would rather see GM roll back prices than offer incentives.

Staff Reporter Edward Lapham contributed to this report.

BLAZER

GM may speed up models based on new C/K pickup

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is considering introducing products derived from its new C/K full-size pickup earlier than planned. The products include the next-generation Blazer and Suburban.

"While we've introduced a new C/K platform, we certainly aren't done introducing more innovative components and ideas on those vehicles," said Lloyd Reuss, GM executive vice preident. "You're going to be seeing more of that over the next few years than perhaps a lot of people were expecting."

Reuss, who has added GM Truck and Bus to his responsibilities as head of North American car operations, said he recently reviewed Truck and Bus product and marketing plans with the group.

"They've laid out some very aggressive product plans as well as aggressive marketing plans," Reuss said. "We're going to continue to review them to see if we can't bring some of them to market faster than presently slated."

Reuss would not say for what year products based on the C/K platform are slated, but sources had said the next-generation full-size Chevrolet Blazer and GMC Jimmy, as well as the Suburban sold by both Chevrolet and GMC dealers, are scheduled for about 1992. Apparently, GM is trying to figure out how to move up that date.

Charles Katko, GM vice president and group executive for the Truck & Bus Group, has said it is unlikely that the next-generation Blazer, Jimmy and Suburban can be brought to market before 1990. Katko said the C/K platform will be a springboard for a whole new family of vehicles.

AUTOMOTIVE NEWS/JOE WILLSENS

Reuss: "While we've introduced a new C/K platform, we certainly aren't done introducing more innovative components . . . on those vehicles. You're going to be seeing more of that over the next few years than perhaps a lot of people were expecting."

GM introduced the new full-size pickup April 23. This fall, a stepside short-bed version will debut, Reuss said. Other models that will be derived from the pickup platform include an extended-cab version and a short-bed model.

"Those are niche vehicles that the competition doesn't have a direct competitor for," Reuss said.

DDA has Brazil deal, still seeks major link

By Joseph Bohn and Rik Turner
AUTOMOTIVE NEWS STAFF

The Detroit Diesel Allison Division of General Motors, following an abortive effort to link up with Deere & Co. earlier this year, is still seeking a major venture partner.

DDA has reportedly been focusing its attention on foreign engine manufacturers, like Mercedes-Benz, which are having trouble getting their diesel truck engines certified in the United States.

DDA also has just concluded a $10 million deal to produce automatic truck transmissions in Brazil.

And it is going full bore on a major new electronic truck transmission family, the so-called "six-pack," slated for introduction around 1990, officials confirmed.

Ludvik Koci, DDA general manager, declined to comment directly on DDA's continuing search for a venture partner.

Koci did, however, point out that the same excess capacity for diesel engines worldwide that first impelled DDA to seek out Deere still favors a joint venture.

"We're open to people who want to discuss ways of serving the market better. We've had some discussions," but none so far are "serious or official," Koci added.

"As an industry, we have to use our resources and services (more) effectively to market products," Koci said, adding that his worldwide competitors echo his view.

In fact, Koci said, "If you took a half-dozen names (diesel manufacturers) from the Far East, three or four in North America and a half-dozen from Europe and listed them all — I wouldn't be surprised if half the names on that list had scheduled discussions with the other half in the last six months."

DDA's strength as a potential partner, Koci said, lies in its heavy investments in electronic injection timing controls — the DDEC system that is optional on its Series 92 engines and is an integral part of its new Series 60 engines.

Koci regards electronic injection control as important to meeting future emission standards as well as engine management, diagnostics and maintenance.

He said he didn't have specific figures on the overcapacity that exists in diesel manufacturing, but he said that the non-highway mar-

see DDA, page 69

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61st year—No. 5189

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World Congress to probe competition issues

The hyper-competitiveness of the world auto industry has created a number of problems. It has created the need to identify them and the need to solve them.

Three speakers will discuss ways and means to solve some of those problems, as well as problems created by the solutions to other problems, at the 12th annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

The three speakers who will discuss problems and solutions, many of them relating to the efficient ultilization of time, are: Robert M. Isenhour, senior vice president of the automotive sector business team at United Research Co. Inc.; Brian F. Newton, vice president of Scanner Solutions Inc.; and Thomas Hayalian, Ph.D., president of Peak Performance Systems.

The theme for this year's World Congress is "Facing Up to Competitive Times." Isenhour, Newton and Hayalian will speak Tuesday afternoon, July 28, when the daily theme will be "The Importance of a Global Perspective."

Isenhour has a degree in finance from the University of North Carolina plus management consulting expertise in a number of industrial areas, including automotive. He will talk about "Compressing the Engineering Cycle for Competitive Advantange."

His primary consulting thrust is improving corporate competitiveness through programs aimed at improved profitability, product quality enhancement and acceleration of the product development cycle.

Newton, whose company is an innovator in the development of bar-code technology, will deliver a presentation entitled "Scanning Solutions for Material Handling."

Scanner Solutions Inc. has designed, written and installed inventory-control systems for a number of large corporate clients, including General Motors.

When the pressures of developing hyper-competitive systems and solutions take their toll on the workforce, companies often turn to clinical psychologists to solve human behavioral problems. It is the kind of human development situation that Hayalian and his Minneapolis-based company, Peak Performance Systems, routinely face.

The topic of Hayalian's address, fittingly, is "Stress: Recognizing and Controlling It."

Hayalian has developed stress programs for automotive sales and service personnel who subsequently have shown increases in the amount of productive work time, increased concentration, stamina and emotional control, as well as fewer customer complaints, less coworker friction, less turnover, fewer errors and less stress-induced illness.

This year's World Congress will feature more than 30 speakers who will share their expertise and opinions on where the car and truck industry stands and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

Freightliner puts its name on anti-lock braking

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

EAST LIBERTY, Ohio — It was no-holds-barred as Freightliner Corp. demonstrated its new anti-lock braking system, the Freightliner/Wabco ABS, for reporters at the Ohio Transportation Research Center here.

The system was able to stop big speeding trucks straight as a string on a wet dime, and it enabled drivers to steer them smoothly through sharp wet curves while braking hard, without wheel lockup.

For many in the audience, there was a sense of deja vu. They had seen plenty of such demonstrations back around 1975 when Federal Motor Vehicle Safety Standard 121 was the law of the land and many companies were trying to develop anti-lock braking systems. However, the system Freightliner showed this time around was different in a number of significant ways.

Peter E. Rupp, Freightliner chairman, said, for example, the Freightliner/Wabco ABS is the first to which a truck manufacturer has lent its name.

It is an integral part of the vehicle. The electronic control module is in the cab rather than outside, exposed to the weather. Earlier systems were add-ons that wore the label of their makers, supplier firms.

Electronic components, such as the microcomputer in the new anti-lock braking system, are far more advanced than those of the Federal Motor Vehicle Safety Standard 121 era, he said.

And packaging and such features as filtering of electromagnetic interference have been improved dramatically.

Wabco ABS system keeps Freightliner on a straight course

Freightliner offering an anti-lock braking system is a bit of a surprise because Rupp has been an outspoken opponent of any headlong lunges into emerging technologies. He has said any advancements must come into use in an evolutionary manner and only as they meet rigid bottom-line criteria.

Rupp often has warned, "Technological overkill could lead to a technical nightmare for maintenance people."

He added, though, "In our ABS, there is no gimmickery, no electronic fun and games. There is vehicle perfomance, safety and efficiency.

"Given the proven ability of electronic ABS to enhance vehicle control, augment safety and reduce tire wear, we believe it represents a value-added option that will provide customers with an excellent return on investment. It is an example of technologic logic," he said.

Rupp also said, "Safety is a capital investment with a guaranteed return. And reduction of social cost, reduced human suffering, is an aim in itself."

The Freightliner/Wabco ABS for a truck or tractor carries a price tag of $3,750. The systems are covered by a three-year, 300,000-mile unlimited warranty.

A. Gordon Clark, senior vice president of sales and marketing, said the $3,750 is "about the same as many sleeper or body options."

Freightliner declined to discuss the price for trailer applications but one knowledgeable source said it would be "something less than half the $3,750."

The company said 34 systems already have been sold in the United States. Wabco has been selling a similar system in Europe since 1981 and about 60,000 have been installed on tractors there.

Testing of the Freightliner-designed anti-lock braking system has included 2.1 million miles run up on 23 vehicles. One unit has run for 238,700 miles with the system, said Peter Wolsdorf, senior vice president, engineering and technology.

Wolsdorf said the new system is not affected by brake size or pad or shoe material. However, a truck's foundation system, the basic brake layout, must be intact because there are no compensating abilities in the system. Brakes must be positioned properly and working properly, he said.

Gordon said several insurance companies have indicated they will reduce premiums on full-coverage insurance by 10 percent on tractors and trailers with the Freightliner/Wabco ABS.

Wabco is Westinghouse Air Brake Co., a subsidiary of American Standard Inc. of New York.

Light trucks set sales records for month, half

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Sales of light trucks in the United States continued at a record pace in June and for the first six months of calendar 1987.

Domestic truck companies, while giving up a small bit of market share to importers in June, still gained a half percentage point in market share for the first six months of the year.

Light-truck manufacturers retailed 456,535 vehicles in June, 13.9 percent more than last year. They retailed 2,344,879 vehicles for the first half of calendar 1987, up 3.6 percent over last year's previous record.

Importers retailed 80,244 light trucks in June, posting a 15.1 percent gain over last year. Their six-month sales of 448,851 were up 1.1 percent from last year's total.

Foreign truck companies captured 17.6 percent of the market in June compared to 17.4 percent last year. For six months of calendar 1987, their market share dropped to 19.1 percent from 19.6 percent in the 1986 period.

Domestic firms retailed 376,291 light-duty trucks in June, up 13.6 percent from last year. Their six-month total of 1,896,028 was up 4.2 percent from last year.

All the domestic manufacturers, except Chevrolet, posted gains last month, as did most of the importers, with the exception of Mazda, Isuzu and Subaru. Subaru is almost out of the truck business.

Chevrolet retailed 13,326 1988-model C/K pickups in June, up from 9,807 in May. It has retailed 33,120 of the new pickups so far.

GMC retailed 4,051 Sierra pickups in June, up from 2,645 in May. It has retailed 9,665 of the new pickups so far.

LIGHT-DUTY TRUCK SALES

	June 1987	June 1986	6 Mos. 1987	6 Mos. 1986
Vans	17,826	15,968	93,222	89,884
Aerostar	17,245	16,183	80,808	72,407
Club Wagon	2,548	2,442	14,648	14,361
Ranger	32,677	23,861	168,459	144,282
Bronco	4,388	4,253	25,127	23,992
Bronco II	12,087	8,388	56,607	45,328
Pickups	48,256	46,638	271,059	260,472
Ford	**135,027**	**118,733**	**709,930**	**650,726**
Vans	10,738	13,626	53,705	68,854
Sportsvan	1,049	1,803	6,264	9,236
Astro	15,903	15,026	75,153	77,040
S-10	22,303	19,428	115,709	110,711
S-10 Blazer	13,837	14,887	72,285	80,999
El Camino	1,326	1,936	6,696	11,782
Blazer	2,813	3,830	14,649	21,008
Suburban	5,979	6,245	27,318	29,920
Pickups	39,577	40,702	206,638	225,089
Chevrolet	**113,525**	**117,483**	**578,417**	**634,639**
Vans	7,632	7,528	35,435	38,529
Ram Wagon	3,735	4,077	16,863	22,475
Voyager	15,855	10,265	64,091	59,271
Caravan	16,800	10,802	68,375	61,391
Mini Ram Van	1,388	1,607	6,889	8,176
Ram 50	6,190	5,593	35,086	37,362
Raider	1,805	0	8,932	0
Ramcharger	2,301	2,023	12,500	11,397
Dakota	11,689	159	53,824	159
Pickups	9,738	8,010	51,725	47,346
Chrysler	**77,133**	**50,064**	**353,720**	**286,166**
Vans	3,768	3,756	19,395	19,009
Safari	3,540	3,214	16,316	16,518
S-15	4,855	4,471	24,556	25,870
S-15 Jimmy	3,511	3,681	17,782	19,587
Jimmy	811	784	4,100	4,222
Caballero	190	248	857	1,463
Suburban	1,884	1,870	9,559	10,686
Pickups	11,182	16,082	56,386	56,467
P Model	403	427	2,790	2,229
W-4	124	101	696	587
GMC	**30,268**	**28,634**	**152,437**	**155,423**
Wrangler/CJ	3,318	3,050	15,133	17,164
Wagoneer	1,149	830	6,329	5,069
Cherokee	10,010	8,580	52,604	47,985
Grand Wagoneer	1,206	1,225	6,372	7,411
Comanche	4,427	2,368	20,197	14,562
J-10/J-20	228	166	889	806
Jeep	**20,338**	**16,219**	**101,524**	**92,997**
Toyota	253	24,659	129,841	179,555
Nissan	25,172	16,729	117,638	110,025
Mazda	23,029	14,962	72,360	74,592
Isuzu	11,184	7,192	49,675	41,735
Mitsubishi	7,115	2,008	27,494	16,198
Suzuki	5,109	3,926	42,051	20,549
Subaru	8,320	251	9,255	1,512
Range Rover	62	0	531	0
Imports	**80,244**	**69,727**	**448,851**	**444,168**
Industry Total	**456,535**	**[illegible]**	**2,344,879**	**2,264,117**

Compiled by Kevin Dobrowski

$87 BILLION

Congressmen say their deregulation bill could save carriers that much in 5 years

WASHINGTON — Two congressmen have introduced bipartisan legislation for the complete deregulation of the trucking industry. They said it could save $87 billion during the next five years.

Reps. Tom Delay, R-Texas, and Jim Moody, D-Wis., said the legislation would improve efficiency, increase competition and reduce paperwork in the truck industry.

Delay said that savings were the equivalent of a $1,440 tax cut for every family of four over a five-year period.

Delay is a longtime advocate of trucking deregulation. He said the bill, H.R.2591, or the "Trucking Productivity Improvement Act of 1987," would further enhance the productivity gains achieved by the Motor Carrier Act of 1980.

"Under the proposal, the truck industry would be free to operate just like other businesses in the free market system, rather than being subject to stringent economic government controls," Delay said.

It would eliminate the remaining economic controls on the trucking industry and provide additional incentives for increased efficiency and competitiveness of motor carrier operations, he said.

"While regulation of trucking might have made sense in the 1930s, there's no reason why the government should be telling the trucking industry how much it can charge for its services," Delay added.

The bill also would end antitrust immunity for collective ratemaking, "which has proven to unnecessarily raise rates," according to the congreesman, and abolish all remaining entry and rate regulation of the trucking industry.

Delay is a member of the Transportation Subcommittee of the House Appropriations Committee and a former member of the Public Works and Transportation Committee. He said that transportation amounts to 25 percent of the cost of manufactured products in this country.

Delay said he anticipates that an identical version of the Trucking Deregulation Bill soon will be introduced in the Senate.

In its specifics, the bill calls for:

- Eliminating Interstate Commerce Commission entry requirements for motor carriers of property.
- Eliminating ICC tariff filing requirements for motor carriers.
- Eliminating ICC power to grant antitrust immunity to motor carriers for collective ratemaking.
- Ending ICC regulation of rates set by motor carriers of property.
- Retaining common carriers' liability for loss and damage (Carmack Amendment), but allowing carriers to offer contracts with reduced liability as long as they also offer a full-liability contract.
- Prohibiting any state or related entity from regulating interstate or intrastate rates, routes or services of any owner or operator of a commercial motor vehicle as long as it transports property in interstate commerce.
- Making motor carriers of property subject to the Federal Trade Commission Act and the Clayton Antitrust Act.
- Requiring foreign motor carriers to comply with all U.S. safety, financial responsibility and tax requirements.
- Requiring the Department of Transportation to report, within two years, on the implementation of the National Governors Association's consensus agenda for uniform administration of state truck taxes.

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June car, truck sales climb in Canada

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

A healthy economy and a wide range of sales incentives boosted sales of North American-built cars and trucks in Canada in June.

Sales of North American-built cars climbed 8.46 percent in June from the year-earlier total. Truck sales rose a whopping 31.76 percent.

"Sales are strong because we have some incentives out there and a generally healthy economy with economic indicators up," said Jerry Kuzemchak, manager of marketing analysis, General Motors of Canada.

Canadian dealers delivered 79,627 North American-built cars in June, compared to 73,418 in June 1986. Truck sales totaled 43,367 in June, compared to 32,913 a year ago. June sales rose significantly from the prior month, when dealers delivered 69,439 domestic cars and 36,993 domestic trucks.

For the first six months of 1987, sales of North American-built cars totaled 402,015, down 3.44 percent from 416,318 in the 1986 period. Trucks sales rose 12.08 percent, totaling 208,221 this year, compared to 185,786 last year.

GM, Ford of Canada and Chrysler Canada continued to offer low finance rates or cash rebates on selected cars and trucks in June.

GM offered 3.9 percent to 9.9 percent financing or $750 cash rebates on some models; in Ontario, it offered only low financing. Ford offered 3.9 percent to 9.9 percent loans or cash rebates of $500 to $1,000; in Ontario, Ford offered only rebates. Chrysler offered rebates between $500 and $1,500 in all provinces.

Of the six domestic automakers, three — GM, Ford and Honda — increased domestic-car sales in June compared to a year earlier.

Ford reported an all-time June sales record for cars: 23,812, a 30.21 percent increase over the 18,288 sold in June 1986. The previous June record was 23,556, set in 1978. The most popular Ford model last month was the Ford Tempo with sales of 5,891, an any-month record for Tempo.

"High quality products, competitive prices and good availability of models in dealer stock combined to produce a record month for Ford," said Jack G. Clissold, vice president of sales and marketing, Ford of Canada.

In addition to its domestic cars, Ford sold 38 Merkur XR4Ti models, 1,164 Mercury Tracers and 46 Scorpios.

GM's domestic-car sales rose 5.92 percent to 39,990 from 37,756 in June 1986. In addition to its North American-built cars, GM sold 1,476 Suzuki-built Chevrolet Sprints, 1,232 Suzuki-built Pontiac Fireflys, 208 Isuzu-built Chevrolet Spectrums and 149 Isuzu-built Pontiac Sunbursts.

The Pontiac 6000 was the most popular GM car in June with 4,325 units sold.

Sales of Chevrolet's new Corsica and Beretta increased 52.68 percent, to 1,423 from May's 932. Tempest, Pontiac's version of the Corisca, increased 50.82 percent to 825 from May's 547.

The third automaker to show "increased" domestic-car sales for the month was Honda, but that is because it wasn't selling North American-built cars in the country one year ago. Honda sold 1,399 domestically produced cars in June. In addition, it sold 4,763 Japanese-built Hondas and 555 Japanese-built Acuras during the month. Acura, too, has no year-ago comparison: Importation began in March. But sales of imported Hondas in June 1986 numbered 6,136.

Chrysler's domestic-car sales dropped 15.35 percent to 13,807 from 16,311 in June 1986. A Chrysler spokesman said the company's car sales are suffering from the absence of the low-priced Omni/Horizon Expo models (called America in the United States). Those cars are temporarily out of production as Chrysler moves tooling to a new plant.

"There is no question we are missing the Expo cars here; it's a very competitive marketplace in Canada," the spokesman said.

Chrysler also sold 678 Mitsubishi cars and 29 Peugeot cars in June.

AMC sold 26 Eagles in June compared to 25 last June. It sold 374 domestic Renault cars in June, a 52.54-percent drop from 788 a year earlier. AMC also sold 356 imported Renaults last month.

Sales of Canadian-built Volvos dropped 12.40 percent to 219 from 250 in June 1986. However, sales of Volvo imports climbed 8.28 percent to 549 from 507 a year earlier.

"The 240-series car (assembled in Volvo's Halifax, Nova Scotia, plant) is considered an older model while the 740-series car (built by Volvo in Sweden) is more appealing to customers," a Volvo of Canada spokesman said.

GM was the leader in truck sales in June. GM sold 17,365 trucks, a 24.60 percent increase over the 13,937 sold in June 1986.

GM also sold 100 Isuzu-built trucks last month.

Ford set an any-month truck sales record in June, selling 15,537, a 36.21 percent increase over the 11,407 sold in June 1986. The previous record was set in April when Ford sold 15,293.

Chrysler also set an any-month record, selling 8,438 trucks, a 30.92-percent increase over the 6,445 sold a year earlier. Chrysler's old monthly truck sales record was 8,398, set in April. It also sold 335 Mitsubishi trucks in June.

AMC showed the largest percentage increase in truck sales in June. It sold 2,027 Jeeps, a 80.34-percent increase over the 1,124 sold a year earlier. Cherokee was the best-selling Jeep in June.

CANADA MARKET SHARES June 1987

Cars	
General Motors	50.22%
Ford Motor Co.	29.91%
Chrysler Motors	17.34%
American Motors	.51%
Volvo	.26%
Honda	1.76%
Trucks	
General Motors	40.04%
Ford Motor Co.	35.82%
Chrysler Motors	19.46%
Jeep	4.68%

CANADIAN SALES OF NORTH AMERICAN-BUILT VEHICLES

	June 1987	June 1986	Pct. Change	6 mos., 1987	6 mos., 1986	Pct. Change
AMC						
Cars	400	813	−50.78	2,514	4,927	−48.98
Jeeps	2,027	1,124	+80.34	10,513	7,113	+47.78
CHRYSLER						
Cars	13,807	16,311	−15.35	82,657	87,010	− 5.00
Trucks	8,438	6,445	+30.92	40,060	33,427	+19.84
GM						
Cars	39,990	37,756	+ 5.92	200,569	218,243	− 8.10
Trucks	17,365	13,937	+24.60	83,366	78,821	+ 5.77
FORD						
Cars	23,812	18,288	+30.21	110,772	104,738	+ 5.76
Trucks	15,537	11,407	+36.21	74,280	66,425	+11.83
VOLVO						
Cars	219	250	−12.40	1,192	1,402	−14.98
HONDA	1,399	—	—	4,312	—	—
TOTAL CAR	79,627	73,418	+ 8.46	402,015	416,318	− 3.44
TOTAL TRUCK	43,367	32,913	+31.76	208,221	185,786	+12.06

Magna wagon: result of 30 months of development

Wagon vital to Mitsubishi Australia

By Pedr Davis
SPECIAL CORRESPONDENT

ADELAIDE, Australia — Mitsubishi Motors Australia is treating its latest baby, the Magna wagon, as if the company's future depends on it. To a great extent, it does.

The company, which now has about 13 percent of the local market, said Magna will be the only model it builds in Australia by 1990. "And when you make just one model," said Chief Executive Graham Spurling, "you simply can't afford to get it wrong."

Two years have passed since the four-cylinder Magna sedan was introduced to an almost unanimous roar of praise. But the entire industry has plunged into depressed days, forcing carmakers to trim production, prune costs and reduce model lineups. There are predictions that 1987 sales will be the worst in 20 years.

Until now, there has been no wagon version of Magna, yet the sedan has consistently held third place on the best-sellers' chart. Only the six-cylinder Falcon and Commodore (both with wagon models) do better.

Spurling said the long-running Sigma has been completely phased out but the other locally built Mitsubishi — the smaller Colt — will continue in sedan and hatchback form until 1990.

"For the rest of our requirements, we will either import or perhaps buy locally from another manufacturer," he added.

The Magna wagon is mechanically similar to the sedan, with a 2.6-liter Astron engine available in carburetor and fuel-injected form. It is the result of 30 months of development and an enormous amount of market research.

Spurling said that market research has been the key to the project. "Everything we did came out of the customer's needs and requests," he said.

Nissan Australia casts its eyes on performance

DANDENONG, Australia — Nissan Australia plans to set up its own design, development and manufacturing facility to build limited numbers of high-performance and special vehicles.

It will be called the Special Vehicles Division and will be housed in a new facility adjacent to Nissan Australia's main office here.

The division will be headed by Paul Beranger, Nissan's former product planning and design manager. He is setting up the facility and hiring a staff so that production can start as soon as possible.

The new division will work closely with Nissan's international competition department in Australia and Japan.

"This naturally means that our vehicles will have a strong performance flavor, although it is our intention to also develop models for special commercial and off-road applications," Beranger said.

The first program for the new division will be to prepare vehicles for the Australian Grand Prix that will be held in Adelaide later this year. Nissan Australia is the major on-course sponsor of the event.

The vehicles will include 27 cars for the celebrity race, plus two modified Skyline pace cars. They will be followed in early 1988 by a series of limited-edition models to be marketed nationally through select Nissan dealers.

AUCTION DATES

American Motors

July 14 — D-A Auto Auction, New Stanton, Pa.

July 15 — Minneapolis Auto Auction, Plymouth, Minn.

July 16 — Greater Chicago Auto Auction, Chicago; Evansville Auto Auction, Evansville, Ind.; and Todd Auto Auction, Telford, Pa.

July 17 — St. Louis Auto Auction, Bridgeton, Mo.

July 21 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

July 22 — Columbus Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

July 23 — Evansville Auto Auction, Evansville, Ind., and Corry Auto Auction, Corry, Pa.

July 28 — D-A Auto Auction, New Stanton, Pa.

July 29 — Minneapolis Auto Auction, Plymouth, Minn.

Chrysler Corp.

July 14 — Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Dallas Auto Auction, Grand Prairie, Texas; and Florida Auto Auction of Orlando, Ocoee, Fla.

Used Car Sales
Auction Averages

July to date	$5,879
Month ago	$5,929
Year ago	$5,157

July 15 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; Southern Auto Auction, Warehouse Point, Conn.; and South Seattle Auto Auction, Kent, Wash.

July 16 — Fredericksburg Auto Auction, Fredericksburg, Va.

July 17 — St. Louis Auto Auction, Bridgeton, Mo.

July 21 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

July 22 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

July 23 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

July 15 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

July 16 — Dallas Auto Auction, Dallas, and Minneapolis Auto Auction, Plymouth, Minn.

July 22 — Lakeland Auto Auction, Lakeland, Fla.

July 23 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Bay Cities Auto Auction Inc., Hayward, Calif.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

July 28 — South Seattle Auto Auction, Kent, Wash.

July 29 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

July 30 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

Model Breakdown
Auction Averages

	JUL 1987	JUN 1987	MAY 1987
1987	$11,153	$11,113	$11,046
1986	$9,139	$9,187	$9,287
1985	$7,155	$7,191	$7,194
1984	$5,720	$5,727	$5,718
1983	$4,845	$4,852	$4,873
1982	$3,682	$3,687	$3,705
1981	$2,657	$2,680	$2,705
1980	$2,095	$2,134	$2,141
Overall Average	$5,879	$5,900	$5,871

General Motors

July 15 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

July 16 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Florida Auto Auction of Orlando, Ocoee, Fla.

July 21 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

July 22 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; and Baltimore-Washington Auto Exchange, Baltimore

July 23 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

July 28 — Harrisonburg Auto Auction, Harrisonburg, Va.

July 29 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

July 30 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

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Private carriers change name of trade group

ALEXANDRIA, Va. — Members of the the Private Carrier Conference have voted to change the name of the organization to the National Private Trucking Association, effective immediately.

The association is a national organization representing proprietary truck fleets — companies that operate trucks in support of their primary non-transportation business activities. Approximately 60 percent of the nation's freight is transported in private carriers' trucks.

The Private Carrier Conference will continue to operate as a subsidiary of the National Private Trucking Association. Primarily, it will publish the association's monthly magazine, The Private Carrier.

E.M. Cody, association chairman, said the new name more accurately describes the organization as the major one representing the largest sector of the U.S. transportation industry — private trucking.

Robert Lomas has been elected president of the National Private Trucking Association. He is corporatate transportation manager for Benjamin Moore & Co., Montvale, N.J.

The association also is continuing its discussions with the Private Truck Council of America regarding a possible consolidation.

California insurance plan seeks 50% rate increase

SAN FRANCISCO — Claiming losses of $50 million in 1985 and estimating 1986 losses at twice that, the California Automobile Assigned Risk Plan has asked the state's insurance department for emergency approval of a 50 percent increase in premium rates.

The Assigned Risk Plan was created in 1947 by the California legislature. It is not an insurance company, but a last resort for automobile owners who are unable to obtain automobile liability insurance on the open market.

DOMESTIC DAYS' SUPPLIES

	July 1, 1987	June 1, 1987	July 1, 1986
Alliance	151	162	125
Encore	0	0	272
Total Renault	151	162	150
Eagle	95	145	116
Total AMC	95	145	116
AMERICAN MTRS.	140	160	145
Horizon	35	45	23
Sundance	49	60	325
Turismo	161	163	94
Reliant	55	57	48
Caravelle	75	106	52
Plymouth	49	45	59
Total Plymouth	57	65	45
Laser	60	42	148
LeBaron K	77	89	73
LeBaron J	132	143	0
LeBaron GTS	144	124	139
Fifth Avenue	132	124	77
New Yorker	100	95	106
Total Chrysler	112	111	95
Omni	35	46	27
Shadow	47	55	128
Charger	134	149	94
Daytona	96	92	96
Aries	55	62	59
Lancer	160	138	144
Diplomat	51	69	56
Dodge 600	94	103	60
Total Dodge	68	73	65
CHRYSLER MTRS.	78	82	67
Escort	71	70	49
Mustang	41	40	45
Tempo	74	75	70
Taurus	73	75	44
Thunderbird	82	89	88
LTD	0	0	47
Crown Victoria	41	44	57
Total Ford Div.	66	68	55
Lynx	76	97	71
Topaz	94	80	53
Sable	112	115	34
Cougar	81	91	56
Capri	0	0	93
Marquis	0	0	52
Grand Marquis	49	59	51
Total Mercury	79	86	52
Continental	80	76	71
Lincoln	43	51	57
Mark VII	45	50	70
Total Lincoln	46	53	60
Total L-M Division	70	77	54
FORD MOTOR CO.	68	71	55
Skyhawk	112	137	79
Somerset Regal	116	149	42
Century	121	132	80
Regal	75	99	92
LeSabre	96	110	66
Electra	122	142	77
Riviera	76	92	187
Total Buick	107	127	73
Cimarron	120	114	98
Allante	136	76	0
Seville	74	64	224
Cadillac	111	90	77
Eldorado	86	89	164
Total Cadillac	106	89	90
Chevette	64	59	81
Nova	41	66	91
Cavalier	105	104	43
Citation	0	0	76
Camaro	61	59	63
Celebrity	63	59	56
Corsica/Beretta	57	74	0
Monte Carlo	119	128	81
Chevrolet	91	86	59
Corvette	94	83	61
Total Chevrolet	71	77	60
Firenza	139	143	82
Calais	86	76	56
Cutlass Ciera	101	83	68
Cutlass Supreme	75	105	64
Olds 88	83	83	98
Olds 98	95	103	66
Toronado	47	59	196
Total Oldsmobile	89	87	75
Fiero	106	76	96
1000	111	61	121
Sunbird	91	100	47
Firebird	52	49	51
Grand Am	56	50	22
6000	101	104	79
Gr. Prix/Bonn.	156	123	79
Grand Prix	0	0	94
Bonneville/Paris.	114	122	59
Total Pontiac	81	79	59
GENERAL MTRS.	84	87	67
VOLKSWAGEN	123	61	82
HONDA	11	6	7
NISSAN	49	46	19
TOYOTA	47	42	0
DOM. TOTAL	75	77	63
Subcompact	56	58	60
Compact	74	74	56
Intermediate	84	87	63
Standard	77	81	66
Luxury	37	86	79

Stocks dip despite drop in car sales

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Although sales are running well behind last year's, inventories of unsold domestic new cars July 1 were below those of June 1 in terms of days' supply and number of units.

The moderate slimming of stockpiles is the result of extended plant closings for model changeovers, closings aimed specifically at inventory reduction and a notable lack of overtime work assignments.

The month opened with 1,900,096 cars in stock, equal to a 75-day supply. Those figures were down from the 1,910,805 units and 77-day supply on June 1. On July 1 a year ago, the inventory count was 1,859,576 cars, a 63-day supply.

Back on July 1, 1985, there was a 58-day supply of cars at dealerships or in transit.

General Motors, hit particularly hard by poor sales in the first half, had 1,057,494 cars on hand July 1, an 84-day supply. A month earlier, GM's inventory was 1,055,673 units, an 87-day stock.

Each of the U.S.-based carmakers started July with a lower days' supply than they had a month earlier.

Volkswagen had a significantly larger supply. Honda, Toyota and Nissan stocks were only minimally higher.

A 60-day to 65-day stock is considered optimal.

Companies shared the July 1 inventory this way: General Motors, 55.65 percent; Ford Motor Co., 26.18 percent; Chrysler Motors, 13.97 percent; Nissan, 1.35 percent; Volkswagen, 1.21 percent; American Motors, 0.86 percent; Honda, 0.53 percent; and Toyota, 0.25 percent.

On June 1, the split was: GM, 55.25 percent; Ford, 26.62 percent; Chrysler, 13.83 percent; Nissan, 1.50 percent; Volkswagen, 1.00 percent; AMC, 0.97 percent; Honda, 0.44 percent; and Toyota 0.39 percent.

The shares by size class July 1 were: intermediate, 41.68 percent; compact, 18.62 percent; subcompact, 16.95 percent; standard, 12.40 percent; and luxury, 10.35 percent.

Import cars set record in Japan

TOKYO — Sales of imported cars in Japan in June set an any-month record and rose 34.2 percent from the year-ago month. It was the 42nd month in a row in which sales topped year-earlier figures.

The Japan Automobile Importers Association said sales reached an all-time high for any month at 9,504 units, making a total of 44,456 for the first half of the year. BMW sales accounted for 10,050 of the six-month total; Volkswagen, 9,570; and Mercedes-Benz, 9,114.

The increase was attributed in part to price cuts at dealerships handling West German cars. Cuts were made because of competition with Italian and other makers, which had the advantage of currency gains on the exchange market against the increased value of the yen.

The association is now revising its forecast for the year upward from 75,000 to 80,000 units.

DOMESTIC CAR SALES

	June 21 to June 30, 1987	June Sales Forecast 1986	June 1987	June March 1986	Jan. 1 to June 30, 1987	Jan. to June Forecast 1986
Alliance	0	0	2,568	4,281	14,171	24,964
Encore	0	0	0	967	0	6,311
Total Renault	0	0	2,568	5,168	14,171	31,275
Eagle	0	0	441	558	2,228	3,931
Total AMC	0	0	441	558	2,228	3,931
AMERICAN MOTORS	1,819	2,856	3,009	5,726	16,399	35,206
Horizon	1,129	5,720	3,690	13,452	34,675	54,135
Sundance	3,593	77	9,986	77	40,912	77
Turismo	384	1,400	993	3,772	11,935	22,192
Reliant	2,894	5,013	8,313	13,209	53,962	71,736
Caravelle	1,709	1,324	4,153	3,987	19,630	20,870
Plymouth	258	646	828	1,663	3,699	8,482
Total Plymouth	9,957	14,183	27,963	36,160	164,783	177,492
Laser	109	1,066	293	2,697	3,629	15,223
LeBaron K	2,513	3,678	8,449	9,234	30,004	52,590
LeBaron J	3,367	0	8,250	0	28,190	0
LeBaron GTS	753	1,687	2,512	4,000	17,717	32,318
Fifth Avenue	1,128	3,951	3,450	9,761	20,855	46,491
New Yorker	2,226	1,765	6,133	4,385	30,734	26,700
Total Chrysler	10,115	12,147	27,087	30,077	130,929	175,331
Omni	661	3,444	2,762	9,780	28,134	46,040
Shadow	3,708	159	10,283	159	38,602	159
Charger	382	1,610	1,100	4,184	15,802	24,029
Daytona	1,573	1,530	4,298	4,010	18,529	20,318
Aries	2,831	3,729	8,685	10,719	50,671	51,267
Lancer	550	1,328	1,706	3,165	13,423	23,881
Diplomat	502	1,221	1,444	3,238	5,581	15,258
Dodge 600	1,162	2,825	3,402	7,560	18,495	33,876
Total Dodge	11,569	15,648	33,680	42,815	187,237	214,828
CHRYSLER MOTORS	31,651	41,976	88,730	109,062	482,949	567,651
Escort	12,156	13,532	36,715	34,977	131,592	198,916
Mustang	5,539	6,064	16,105	16,163	96,273	91,047
Tempo	5,347	8,112	21,153	20,660	126,105	126,057
Taurus	10,859	9,307	31,499	23,389	174,980	102,547
Thunderbird	3,915	4,399	12,292	11,337	60,923	72,710
LTD	0	637	0	1,682	0	20,517
Crown Victoria	4,791	4,563	12,724	11,909	64,317	67,375
Total Ford Div.	42,406	46,614	130,488	120,097	714,190	681,169
Lynx	2,279	1,815	6,927	5,047	32,168	33,189
Topaz	1,523	2,145	5,851	6,004	36,271	33,206
Sable	2,967	3,559	8,483	9,984	47,224	46,933
Cougar	3,535	5,047	10,796	12,018	52,842	61,208
Capri	0	450	0	1,161	0	6,453
Marquis	0	206	0	631	2,510	8,795
Grand Marquis	4,361	4,228	12,296	10,779	56,856	57,900
Total Mercury	14,785	17,448	44,352	45,624	227,871	247,685
Continental	473	550	1,294	1,523	7,268	9,578
Lincoln	4,050	4,106	12,528	10,231	60,331	57,940
Mark VII	1,005	710	2,678	1,826	13,449	10,121
Total Lincoln	5,528	5,366	16,500	13,580	81,048	77,639
Total L-M Division	20,313	22,814	60,852	59,204	308,919	325,324
FORD MOTOR CO.	62,719	69,428	191,340	179,301	1,023,109	1,006,493
Skyhawk	1,129	2,499	3,603	7,942	16,906	35,207
Skylark	0	0	0	0	0	2,522
Somerset Regal	2,196	3,769	6,284	14,528	36,458	64,204
Century	3,725	6,487	11,619	20,731	74,416	121,008
Regal	1,887	2,371	4,936	7,608	25,708	42,631
LeSabre	4,610	4,252	12,502	12,301	65,913	52,585
Electra	2,321	2,936	6,597	8,781	36,245	61,794
Riviera	495	392	1,268	1,261	11,069	8,220
Total Buick	16,363	22,686	47,011	73,152	288,714	388,171
Cimarron	466	792	1,181	2,024	6,757	11,246
Allante	78	0	235	0	1,093	0
Seville	399	278	1,814	825	12,407	7,707
Cadillac	5,643	6,746	15,587	17,593	96,520	117,570
Eldorado	749	450	1,943	1,202	10,365	10,212
Total Cadillac	7,655	8,264	20,760	21,644	127,142	146,735
Chevette	233	1,561	716	5,424	15,555	37,955
Nova	7,672	5,125	22,200	14,776	75,577	74,886
Cavalier	7,639	13,430	21,931	39,070	166,855	207,243
Citation	0	28	0	82	0	979
Camaro	3,567	5,764	10,995	18,607	69,139	95,363
Celebrity	6,147	12,045	25,797	39,242	179,152	217,801
Corsica/Beretta	11,361	0	28,504	0	76,906	0
Monte Carlo	2,142	3,281	6,391	9,976	31,945	55,335
Chevrolet	5,475	7,700	15,050	22,868	89,119	121,587
Corvette	757	1,093	2,415	3,417	13,202	18,560
Total Chevrolet	44,993	50,027	133,999	163,462	716,459	829,740
Firenza	486	1,224	1,525	3,312	6,370	19,525
Calais	3,268	4,296	9,662	11,120	54,236	63,536
Cutlass Ciera	8,457	10,189	20,832	26,557	128,575	170,878
Cutlass Supreme	3,898	7,217	9,328	18,244	56,360	117,295
Olds 88	5,214	9,392	15,244	23,008	89,256	119,110
Olds 98	2,038	2,380	6,266	6,358	34,254	64,314
Toronado	565	277	2,323	742	10,141	6,860
Total Oldsmobile	22,344	34,975	65,180	89,337	381,132	558,553
Fiero	1,213	2,181	3,099	5,825	25,396	37,209
1000	66	436	201	1,326	4,123	10,294
Sunbird	2,416	3,672	7,598	12,303	45,977	80,424
Firebird	2,370	2,939	7,999	10,589	42,498	53,177
Grand Am	5,475	5,068	20,279	17,871	111,661	109,175
6000	2,567	4,769	10,316	17,514	64,216	92,106
Gr. Prix/Bonn.	284	1,128	883	3,822	9,059	22,723
Grand Prix	0	1,049	0	3,360	0	22,090
Bonneville/Paris	2,883	1,837	9,311	6,157	52,277	43,391
Total Pontiac	17,274	23,277	59,503	79,667	355,907	450,530
GENERAL MOTORS	168,612	199,229	327,453	417,282	1,848,354	2,373,736
VOLKSWAGEN	2,514	2,716	4,876	6,459	23,631	39,091
HONDA	10,057	9,960	25,015	18,220	164,811	92,436
NISSAN	6,045	50	13,716	217	64,796	25,376
TOYOTA	1,228	0	2,586	0	18,252	0
DOMESTIC TOTAL	234,462	286,009	611,727	728,281	3,642,525	4,139,979
IMPORT TOTAL			257,505	286,882	1,443,340	1,506,897

GM plunge cuts sales: 5.1 million for 1st half

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of new United States-built cars in the first half of 1987 fell 12.02 percent below those of a year earlier and were off 10.80 percent from the 1986 total in June.

General Motors was the big loser. Its domestic-car sales plunged 525,384 units in the first half, a decline of 22.13 percent. GM's dip in June was 89,839 units, or 21.53 percent.

The drops for domestic cars occurred despite a variety of attempts to boost sales. Those efforts include generous retail cash-back offers, cut-rate financing deals and localized promotions.

Domestic sales fell even as import competitors watched their prices rise steadily as foreign currencies strengthened against the dollar.

Six-month sales figures clearly show the severity of problems the domestic industry faces, and action seen and foreseen on the wholesale and retail fronts indicates no solutions are in sight.

Domestic sales, January through June, totaled 3,642,525 cars, compared with 4,139,979 in 1986's first half.

Import first-half sales totaled 1,443,340 cars, off 4.22 percent, from 1,506,897 last year.

Combined domestic and import sales for the half were off 9.93 percent as deliveries dipped to 5,085,865 cars from 5,646,876 in 1986.

Imports captured 28.38 percent of U.S. sales in the first half, compared to 26.69 percent a year ago.

In the first half, AMC had a sales decline of 53.42 percent from the year before. GM was down 22.13 percent; Chrysler Motors slipped 14.92 percent; and Volkswagen was off 13.46 percent.

Nissan recorded a six-month gain of domestic-built products of 155.38 percent. Honda's sales rose 67.49 percent, and Ford Motor's sales climbed 1.65 percent. Toyota dealers delivered 18,282 U.S.-built cars in the six months. Toyota was not selling U.S.-built cars in the first half of 1986.

In June, domestic sales totaled 656,727 cars, off 10.80 percent from the 736,261 delivered in the month last year. The import total reached a June record of 281,555 units, up 6.29 percent, from the 264,892 sold a year before.

The domestic-import figure for June was 938,282, down 6.28 percent from 1,001,153 in 1986.

Imports took 30.00 percent of the June market compared with 26.46 percent a year earlier. This year's penetration was a record for any June, according to Automotive

continued →

Where the U.S. market was June 1987

	Total Sales	Pct. of Total
SUBCOMPACT	150,280	16.02
COMPACT	124,405	13.26
INTERMEDIATE	244,246	26.03
STANDARD	79,399	8.46
LUXURY	58,397	6.22
IMPORT	281,555	30.01
TOTAL	938,282	100.00

News data.

The daily selling rate for domestics during June this year averaged 25,259 cars, down from the daily sales average of 29,450 cars in June 1986.

For June, AMC reported a year-to-year sales decline of 47.45 percent. VW had a drop of 24.44 percent; GM was down 21.53 percent; and Chrysler Motors dipped 18.64 percent.

Honda's sales for the month climbed 37.29 percent; Ford Motor's rose 6.71 percent; and Toyota sold 2,586 units in June with no 1986 figure. Nissan's sales were 13,718, compared with 217 last year when the plant was down for changeover.

In June's final 10-day selling period, there still were no signs of improvement for the U.S.-based manufacturers.

Domestic 10-day sales totaled 224,652 units, off 15.55 percent from the 266,005 units delivered at retail a year before.

In the June 21-30 sales period, AMC had a sales decline of 31.51 percent; Chrysler, 24.60 percent; GM, 21.99 percent; Ford, 9.66 percent; and VW, 7.44 percent.

Honda had a gain of 1.08 percent. Nissan sales rose to 6,045 units from 50 last year, and Toyota sold 1,228 U.S-built cars.

It was a close-but-no-cigar toss for Ford Division in its domestic sales race against Chevrolet in the first half. Chevy outsold Ford by just 1,269 cars with a six-month tally of 715,459 units to Ford's 714,190. A year ago, Chevy led its traditional rival by 148,580 domestic cars with sales of 829,749 to Ford Division's 681,169.

In June, Chevy sold 133,999 units to Ford's 130,488, a margin of 3,511 units. In the month last year, Chevy sold 153,462 to Ford's 120,097, a margin of 33,365 units.

Record high monthly sales were reported by American Honda's Acura Automobile Division, Hyundai, Mitsubishi and Yugo.

Audi of America said June was its second-best month in its history in the United States.

Sales of light trucks set records for the first six months of the year and for June.

U.S. CAR SALES BY MARKETING UNITS

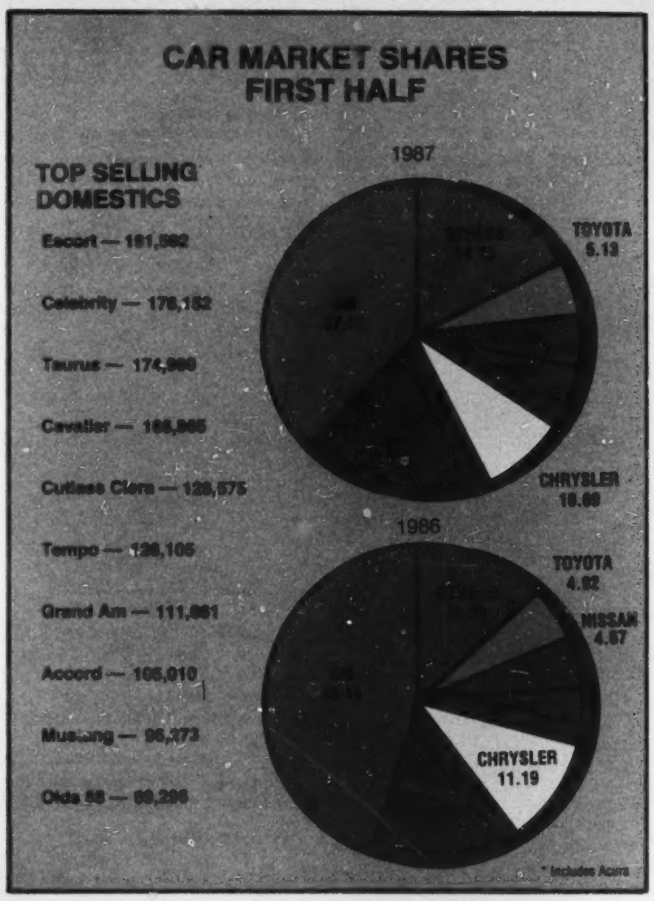
	June, 1987	June, 1986	6 Mos., 1987	6 Mos., 1986
Alfa Romeo	657	650	3,422	2,866
AMC-Renault	4,801	5,978	21,969	37,250
American Honda	56,093	49,566	337,039	306,439
BMW	7,711	8,624	42,987	46,002
Buick	47,011	73,152	268,714	383,171
Cadillac	20,760	21,644	127,142	146,735
Chevrolet	144,896	167,724	775,621	909,163
Chrysler	28,234	30,077	137,216	175,331
Dodge	38,925	47,733	215,815	248,263
Ford	131,980	120,097	717,135	681,169
Hyundai	27,189	15,131	127,056	52,396
Isuzu	4,438	2,633	16,151	16,203
Jaguar	2,192	2,504	10,024	11,506
Lincoln	16,500	13,580	81,048	77,639
Maserati	60	128	360	848
Mazda	21,144	14,665	89,573	103,506
Mercedes	7,273	6,101	45,411	44,209
Mercury	45,784	46,907	233,004	255,358
Mitsubishi	7,755	3,992	34,147	23,763
Nissan	50,731	52,248	276,074	263,682
Oldsmobile	65,160	89,337	381,132	558,553
Peugeot	755	1,043	4,440	6,592
Plymouth	32,656	40,698	190,557	206,452
Pontiac	63,957	79,597	359,361	450,530
Porsche	2,200	3,197	12,824	14,726
Saab	4,279	5,020	22,087	23,980
Sterling	1,160	0	6,381	0
Subaru	14,343	13,657	77,514	91,463
Toyota	50,170	47,241	261,090	277,848
Volvo	9,083	11,600	61,964	63,423
VWoA	25,604	24,515	121,573	148,970
Yugo	4,761	2,014	27,034	11,840
TOTAL	938,282	1,001,153	5,085,865	5,646,876

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA combines imports and domestics and Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur XR4TI and Merkur Scorpio. Ford includes Festiva. Chrysler includes Conquest. Pontiac includes Lemans.

IMPORTED CAR SALES

	June, 1987	June, 1986	6 Mos., 1987	6 Mos., 1986
Acura	9,609	4,102	50,171	12,949
Alfa Romeo	657	650	3,422	2,866
Audi	7,915	4,970	24,887	32,303
BMW	7,711	8,624	42,987	46,002
Chevrolet	10,897	14,262	80,162	79,414
Chrysler	1,147	0	6,287	0
Dodge	5,245	4,918	28,578	33,435
Ford	1,492	0	2,945	0
Honda	21,469	27,244	132,057	201,080
Hyundai	27,189	15,131	127,056	52,396
Isuzu	4,438	2,633	16,151	16,203
Jaguar	2,192	2,504	10,024	11,506
Maserati	60	128	360	848
Mazda	21,144	14,665	89,573	103,506
Mercedes-Benz	7,273	6,101	45,411	44,209
Mercury	1,432	1,283	5,133	7,673
Mitsubishi	7,755	3,992	34,147	23,763
Nissan	37,013	52,031	211,284	238,312
Peugeot	755	1,043	4,440	6,592
Plymouth	4,693	4,538	25,774	30,960
Pontiac	3,454	0	3,454	0
Porsche	2,200	3,197	12,824	14,726
Renault	1,792	252	5,570	2,044
Saab	4,279	5,020	22,087	23,980
Sterling	1,160	0	6,381	0
Subaru	14,343	13,657	77,514	91,463
Toyota	47,584	47,241	242,808	277,848
Volkswagen	12,813	13,092	62,856	77,578
Volvo	9,083	11,600	61,964	63,423
Yugo	4,791	2,014	27,034	11,840
TOTAL	281,555	264,892	1,443,340	1,505,997

Sales figures supplied by Import Data Systems.



Audi sales skyrocket, but now comes test

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Audi of America wound up its $5,000 discount offer with a flourish in June, selling a near-record number of cars. Sales topped the previous month's total in each of the three months of the incentive.

The program allowed Audi to march toward the 1988 model year with a tidy 43-day supply of cars.

That Audi would reach such a mark by midyear seemed virtually inconceivable back on April 1, when the discount began. At that time, publicity surrounding sudden-acceleration incidents in the Audi 5000-S had reduced showroom traffic to a trickle and had pushed inventories to a 248-day level.

The $5,000 rebate, which was available to owners of 1984-1986 Audi 5000-S models, boosted sales dramatically. The momentum reached its peak in June when Audi chalked up 7,915 sales. That was the highest monthly sales total since the sudden-acceleration controversy surfaced more than a year ago, and it was also Audi's second-best monthly total in 18 years. Its high was 8,050 units in May 1985.

Despite the success, though, Audi sales for the first half of 1987 were down nearly 23 percent from the year-ago total. And now, some dealers admit, comes the challenge of selling Audis without incentives to people outside Audi's existing customer base. The rebate was available only to Audi owners.

If nothing else, the program proved that Audi has kept a loyal block of owners — albeit ones encouraged by a sizable discount. In each month, dealers indicated that nearly all of their sales went to Audi owners cashing in their rebate certificates.

While sales are expected to drop now that the rebate has expired, some dealers are reporting that their supplies of 1987 5000 models have just about dried up anyway. Production of 1987 models will continue through July, and the 1988 5000 should be in showrooms by September, a spokesman said.

Inventories are higher on the Audi 4000 model, but that line is being pushed by factory-to-dealer incentives worth up to $2,500 through Sept. 30.

Audi is taking with the 4000 series, I think you'll find dealers sold out a month to six weeks before the introduction of the new models (in November)," said Mike Zatine, owner of Andrews Nissan-Audi in Seattle.

Dealers said they hoped that the car, which will carry Audi 80 and

Audi marches toward the 1988 model year with a 43-day supply of cars

Audi 90 badges, will kick off a new era of prosperity for the franchise.

The new Audi 5000 bows next spring as the Audi 100/200.

One dealer attributed the late sales surge to procrastination on the part of some Audi 5000 owners. Another said that sudden-acceleration investigations involving other makers are drawing attention away from Audi. Last week, Nissan said it would recall and install shift-lock devices on 180,000 280-ZX and 300-ZX models equipped with automatic transmission as a precaution against further sudden-acceleration complaints.

Audi added shift locks on models equipped with automatic transmission through recalls and made the devices standard on 1987 5000 models. The devices require drivers to put their foot on the brake before shifting into gear.

Car sales in Britain on record track

LONDON — The British auto market is booming, and record sales of more than 1.9 million are forecast for the whole of 1987.

At 1,002,742, sales topped one million for the first six months. That has happened only once before — in 1979 — and demand tailed off in the second half of that year.

In contrast to 1979, the industry expects record sales of up to 400,000 cars in August. August is the best sales month in Britain, as the new registration plate prefix is introduced. Continued strong demand in the autumn is expected to push the market beyond the 1986 record of 1.88 million car sales.

Not only are makers selling more cars, but the five-year discount war is largely over.

Ford, the traditional market leader, increased its domination over rivals Austin Rover and Vauxhall in the first half of this year. Ford's market share increased to 29 percent from 26.7 percent for the first six months of 1986.

Ford Escort, Fiesta and Sierra models are the three top-selling cars.

Austin Rover and Vauxhall have, for the moment, given up amibitions of significantly improving market share in the hope of curbing financial losses. Austin Rover lost almost 1 percentage point in market share, falling to 15.5 percent in the first six months of 1987. Vauxhall's loss was more than 2 percentage points; its share was 13.8 percent.

The imports' share of the market fell from 55 percent to 50 percent in the first six months as Ford and Vauxhall built more cars in their British plants and imported fewer from Belgium and Germany.

Pact sets up GM-Isuzu deal

LUTON, England — General Motors' plan to hand over its loss-making Bedford van plant here to a new GM/Isuzu joint venture company will proceed.

Workers voted 787 to 605 in favor of a Japanese-style employment agreement. They had previously overwhelmingly rejected the new deal.

The Bedford/Isuzu operation is expected to be set up in September with an Anglo-Japanese management team. The ambitious objective is to boost Luton's output from 19,000 vans a year to 40,000. The aging Bedford CF model will be rplaced by new Japanese designs and will be be built alongside the Isuzu pickup and small Suzuki van already assembled at the plant under license.

The controversial employment agreement closely mirrored that already in use at Nissan's Sunderland car plant in northeast England. It includes introduction of total flexibility between jobs.

Other provisions are: single staff status for all workers; an end to time clocks; and negotiations to be conducted by a joint works council that includes elected employees and union representatives.

Last-minute concessions made to the workers included a reduction of 100 in the proposed 480 job losses and a choice of arbitration in the no-strike procedure.

PRODUCTION

U.S. CAR	Week Ended July 11, 1987	Week Ended July 12, 1986	Week Ended July 4, 1987	June Total	Jan. 1 to July 12, 1986	Jan. 1 to July 11, 1987
AMERICAN MOTORS	0	1,444	0	673	30,093	15,994
Renault Total	0	1,444	0	673	30,093	15,994
Alliance	0	1,363	0	673	26,677	15,994
Encore	0	81	0	0	3,416	0
CHRYSLER MOTORS	17,200	15,622	13,517	97,209	769,084	615,158
Plymouth Total	3,400	4,482	2,575	23,520	227,375	184,516
Horizon	0	3,271	0	0	90,864	32,997
Sundance	1,800	708	1,325	8,443	1,900	56,505
Reliant	500	503	430	9,785	96,450	62,399
Caravelle	1,000	0	758	4,709	27,823	30,196
Gran Fury	100	0	62	583	10,338	2,418
Chrysler Total	8,200	3,298	8,138	38,223	248,668	205,275
Laser	0	521	0	0	26,788	0
LeBaron K	0	1,146	0	5,806	63,332	42,910
LeBaron J	4,000	0	2,871	14,791	0	67,040
LeBaron GTS	800	1,631	682	4,419	38,823	23,820
N. Yorker/E-Class	1,800	0	1,513	7,606	47,309	47,078
Fifth Avenue	1,600	0	1,062	5,599	72,416	24,427
Dodge Total	5,600	7,842	4,804	35,466	293,021	225,368
Daytona	1,300	993	1,362	7,401	29,962	32,807
Omni	0	4,169	0	0	87,661	26,363
Shadow	1,900	605	1,548	10,138	1,682	57,901
Aries	400	369	379	9,452	75,069	59,381
Dodge 600	900	665	726	4,341	46,350	27,013
Lancer	500	1,021	468	2,599	31,850	15,010
Diplomat	600	0	319	1,535	20,427	4,893
FORD MOTOR	0	4,430	0	155,683	951,676	1,023,012
Ford Division	0	4,036	0	113,316	651,509	721,458
Escort	0	0	0	33,998	203,895	196,158
Mustang	0	4,036	0	17,924	108,724	113,748
Tempo	0	0	0	14,266	105,393	99,830
Taurus	0	0	0	31,928	148,532	224,338
Thunderbird	0	0	0	15,202	84,965	87,386
L-M Division	0	394	0	42,365	300,167	301,554
Mercury Total	0	394	0	27,078	206,261	205,557
Lynx	0	0	0	900	34,185	20,654
Capri	0	394	0	0	10,429	0
Topaz	0	0	0	5,401	31,796	32,858
Cougar	0	0	0	10,226	65,593	80,476
Sable	0	0	0	10,461	64,258	71,567
Lincoln Total	0	0	0	15,287	93,906	95,997
Continental	0	0	0	1,533	10,573	9,610
Lincoln	0	0	0	11,554	70,446	72,088
Mark VII	0	0	0	2,200	12,882	14,299
GENERAL MOTORS	51,197	75,691	56,038	333,756	2,464,967	2,038,711
Buick Total	9,676	16,449	10,575	53,773	440,657	324,351
Skyhawk	186	2,733	651	1,712	49,031	16,451
Century	3,371	4,721	2,707	13,516	138,638	99,940
Regal	1,444	0	769	4,165	36,489	25,522
Somerset/Skylark	0	2,939	811	5,101	63,463	37,072
LeSabre (fwd)	4,550	4,241	3,746	19,713	76,717	77,888
LeSabre (rwd)	125	359	75	296	8,223	5,432
Electra (fwd)	0	888	1,787	8,261	53,362	53,545
Riviera	0	568	30	1,009	14,734	8,501
Cadillac Total	2,106	5,896	4,027	23,996	188,303	161,845
Cimarron	0	346	46	804	15,097	7,489
Allante	150	0	121	633	0	2,343
Brougham (rwd)	0	0	734	4,692	49,101	38,116
DeVille (fwd)	1,956	4,091	2,916	13,115	97,060	90,643
Eldorado	0	744	105	2,495	14,243	10,534
Seville	0	715	105	2,257	12,802	12,720
Chevrolet Total	22,879	18,640	19,324	120,624	762,773	770,391
Chevette	0	0	0	0	61,031	0
Camaro	1,953	2,919	3,119	12,591	112,686	61,375
Cavalier	4,560	8,257	3,984	34,966	236,363	200,383
Celebrity	4,924	2,792	4,493	20,325	153,608	188,088
Corsica/Beretta	7,500	0	5,565	30821	0	156,445
Monte Carlo	1,174	2,124	826	5,172	63,209	39,203
Chevrolet	2,128	2,548	824	13,901	120,733	106,446
Corvette	640	0	513	2,828	15,143	16,451
Oldsmobile Total	3,624	13,641	11,563	70,365	609,244	384,340
Firenza	0	326	604	2,643	23,086	1,842
Calais	0	2,108	2,682	16,349	68,783	69,547
Cutlass Ciera	0	4,742	2,411	21,220	154,063	99,968
Cutlass Supreme	1,402	0	1,589	7,812	84,031	41,609
88 (fwd)	1,905	3,482	2,922	13,814	192,507	104,104
88 (rwd)	0	0	290	2,108	11,749	10,656
Olds 98	317	2,413	989	4,222	64,153	37,893
Toronado	0	570	76	2,197	10,852	10,127
Pontiac Total	12,912	21,085	10,549	64,998	463,990	397,784
Acadian*	0	0	0	0	9,864	0
Fiero	0	2,048	0	4,662	44,149	20,689
1000	0	0	0	0	11,792	0
Firebird	1,211	3,291	1,735	7,640	67,821	44,365
2000 Sunbird	0	4,050	0	9,195	81,284	60,295
Grand Am	6,300	5,892	4,198	25,737	123,000	145,189
6000	2,045	3,964	1,646	6,911	85,884	46,674
Bonneville	3,155	0	2,861	10,235	0	75,078
Safari/Parisienne	141	1,820	109	618	40,196	5,494
HONDA	0	4,275	6,550	28,382	101,515	171,021
Civic	0	0	2,150	11,794	0	57,329
Accord	0	0	4,400	16,588	101,515	113,692
NISSAN	0	0	0	8,891	21,517	69,582
NUMMI	3,000	3,832	3,247	17,797	109,213	104,042
Corolla	600	0	711	3,888	0	21,571
Nova	2,400	0	2,536	13,909	109,213	82,471
VOLKSWAGEN	2,000	1,768	1,165	8,870	50,514	43,162
Golf/GTI	1,750	0	915	6,116	50,514	34,808
Jetta	250	0	250	2,754	0	8,354
Total Cars, U.S.	73,397	107,062	80,517	651,261	4,496,559	4,080,982
Total Cars, Canada	8,397	10,138	13,286	77,953	614,907	443,344
N. American Cars	81,794	117,200	93,803	729,214	5,113,466	4,524,326
N. Am. Trucks	49,816	48,982	44,966	414,758	2,435,557	2,461,807
North American Cars and Trucks	131,610	166,182	138,769	1,143,970	7,549,023	7,006,833

*—All Acadians are built for sale in Canada.
Monthly estimates may contain some of one or two units due to rounding.

First-half car output lowest in 4 years

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

While truck production was breaking records across North America last month and in the first half, car output continued to lag.

Production of cars in the United States in the first half totaled 4,009,538, the lowest for that period since 1983 when 3,423,209 units were built.

The six-month total was a 6.58-percent decrease from the 4,291,975 completed during the first half of last year.

Automakers built 651,261 cars during June, the lowest for that month since 1982 when 546,807 cars were assembled.

Last month's output was 4.50 percent more than May's 623,236 but 9.87 percent below the year-ago month's 722,608.

Second-quarter output of 1,930,389 cars dipped 7.15 percent from the first quarter's 2,079,149 and was down 10.68 percent from the year-ago quarter's 2,161,269.

The combination of a holiday, vacations and model changeover downtime affected last week's scheduled output. Automakers targeted production of 73,397 cars last week, 8.84 percent below the prior week's 80,517 and 31.44 percent below the year-ago week's 107,062.

Companies split last week's estimated output as follows: General Motors, 69.76 percent; Chrysler Motors, 23.43 percent; New United Motor Manufacturing Inc., 4.09 percent; and Volkswagen of America, 2.72 percent.

Ford Motor Co., Honda of America Manufacturing and Nissan Motor Manufacturing Co. U.S.A. plants were all idle last week for vacation.

As previously reported, American Motors has ended output of its 1987 Alliance models.

GM shut its Tarrytown, N.Y., plant today until Aug. 17 for model changeover. On Wednesday, GM will close its Buick City plant in Flint, Mich., until Aug. 4 and its Janesville, Wis., facility until Aug. 11.

On Thursday, GM will close its Lansing (No. 1) plant until Aug. 4 for model changeover.

The following GM plants remain idle for model change: Wentzville, Mo.; Leeds, Mo.; Orion Township, Mich.; Framingham, Mass; Detroit-Hamtramck; Clark Avenue, Detroit; Lordstown, Ohio; Arlington, Texas; Doraville, Ga.; and the Fiero plant in Pontiac, Mich.

GM's Norwood, Ohio, plant remains idle for inventory adjustment until July 20. The plant is scheduled to closed permanently Aug. 24.

Chrysler's Jefferson Avenue plant in Detroit and its Sterling Heights, Mich., plant closed today for model changeover. The Sterling Heights plant is scheduled to reopen July 31, and Jefferson is slated to resume operations Aug. 3.

As reported earlier, Chrysler's Belvidere, Ill., and Newark, Del., assembly plants are idle for model changeover.

All Ford car plants were expected to resume production today after a two-week vacation.

Truck assembly sets records

Truckmakers in the United States cranked out so many units in the first six months of 1986 that five records were broken.

First-half truck production was the highest ever for that period.

Output totaled 1,986,343, passing the previous record of 1,891,166 in 1979.

The first half's production was 6.88 percent more than the 1,858,416 built during the same period last year.

Truckmakers built nearly one million trucks during the second quarter. Output of 994,968 was also an all-time high, topping the previous peak of 961,228 completed during the same period last year.

Second-quarter output was 0.36 percent more than the first quarter's 991,375.

The manufacturers also set production records in February, March and April.

June truck production of 334,926 was the highest for that month since 1978 when 344,408 units were built.

Last month's output was 1.73 percent more than May's 329,216 and 6.19 percent more than the year-ago month's 315,400.

Last week's targeted production of 37,871 was 20.01 percent more than previous week's 31,557 and 1.24 percent more than the year-ago week's 37,407.

Ford Motor Co., Nissan Motor Manufacturing Co. U.S.A., Navistar International and Jeep were all on vacation last week. Production is expected to resume at those companies today.

GM slated overtime last Saturday at it's Lordstown, Ohio; Baltimore; Flint, Mich. (No. 2); and Detroit plants.

CANADIAN CAR	Week Ended July 11, 1987	Week Ended July 12, 1986	Week Ended July 4, 1987	June Total	Jan. 1 to July 12, 1986	Jan. 1 to July 11, 1987
AMERICAN MOTORS	100	0	88	261	2,382	3,085
FORD MOTOR	0	0	6,780	46,583	289,806	278,741
GENERAL MOTORS	7,832	9,913	5,908	28,492	316,943	155,526
HONDA	240	0	330	1,645	0	250
VOLVO	225	225	160	972	5,776	5,742
Total Cars, Canada	8,397	10,138	13,286	77,953	614,907	443,344
U.S. TRUCK☆	Week Ended July 11, 1987	Week Ended July 12, 1986	Week Ended July 4, 1987	June Total	Jan. 1 to July 12, 1986	Jan. 1 to July 11, 1987
CHEVROLET	21,823	19,693	17,176	100,478	661,391	632,543
DODGE	3,300	4,975	4,827	34,597	42,497	138,995
FORD	0	0	0	121,526	755,445	780,517
GMC	9,998	6,654	5,461	34,648	99,364	207,227
NAVISTAR	0	0	1,343	7,357	40,127	40,037
JEEP	0	3,735	0	18,803	106,854	115,066
NISSAN	0	0	0	5,417	67,741	41,666
AM GENERAL*	450	50	450	1,980	1,362	6,660
MISCELLANEOUS*	2,300	2,300	2,300	10,120	61,640	59,800
Total Trucks, U.S.	37,871	37,407	31,557	334,926	1,936,421	2,022,511
CANADIAN TRUCK	Week Ended July 11, 1987	Week Ended July 12, 1986	Week Ended July 4, 1987	June Total	Jan. 1 to July 12, 1986	Jan. 1 to July 11, 1987
AMERICAN MOTORS	775	906	627	3,411	14,687	18,071
CHRYSLER	5,120	4,719	5,255	37,424	226,563	234,303
FORD	0	0	2,932	15,098	91,859	83,579
GENERAL MOTORS	6,020	5,730	4,442	22,909	160,606	118,245
NAVISTAR	[illegible]	200	183	990	5,421	5,098
Total Trks., Canada	11,941	11,555	13,439	79,830	498,136	459,296
N. Am. Trucks	49,816	48,962	44,966	414,756	2,435,557	2,461,807

—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain some of one or two units due to rounding.

Trucks pass Canada cars

Canadian truck production has passed the year-to-date car production total, according to adjusted figures.

So far this year, 459,296 trucks and 443,344 cars have been assembled.

June's truck production of 79,830 was the highest ever for that month and was also the highest for any month since January 1986 when 81,115 units were built.

Last month's truck output was 1.21 percent more than May's 78,872 and 4.38 percent more than the year-ago month's 76,482.

Second-quarter truck production of 238,257 was 13.61 percent more than the first quarter's 209,711 but 1.24 percent below the year-ago period's 241,250.

Last week's scheduled truck output of 11,945 was 11.12 percent below the prior week's 13,439 but 3.38 percent more than the year-ago week's 11,555.

While truckmakers were setting a June record, last month's car production dipped to 77,953, the lowest for that month since 1980 when 77,321 cars were built. Car output was 23.58 percent below the 102,010 built in June 1986.

Car output for the second quarter totaled 209,546, the lowest for that period since the second quarter of 1974 when 207,623 cars were assembled.

Second-quarter car production was 9.04 percent below the first quarter's 230,383 and 33.51 percent below the year-ago period's 315,161.

Automakers scheduled assembly of 8,397 cars last week, 36.80 percent below the prior week's 13,286 and 17.17 percent below the year-ago week's 10,138.

General Motors will close its Oshawa, Ontario, plant tomorrow until July 20 for inventory adjustment. On July 27, Oshawa will close again for a two-week vacation.

All Ford Motor Co. plants were closed last week for vacation. The Oakville, Ontario, truck plant will resume output July 20. The car plants are slated to reopen July 27.

Navistar International closed its Chatham, Ontario, plant last week for a three-week vacation.

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Is Rouge vote omen for Ford?

Slim OK may mean trouble in car talks

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

A new three-year labor contract squeaked by at Ford Motor Co.'s Rouge Steel Co. last week by a vote of 1,333 to 1,326.

Top Ford and UAW negotiators had said before the vote that reaching an agreement after a year of bargaining without the threat of a strike would bode well for upcoming national contract talks.

The close vote makes that prospect appear less serene.

The new contract includes a commitment — surprising to many in the steel industry — to further modernize the plant. It does not cut wages, as had been expected. It includes a wage freeze, a $500 annual lump sum payment, reduced classifications, team production, a lower wage rate for employees transferring into Rouge Steel and a no-strike clause.

Russ Leone, chairman of the local's tool and die unit, said that the close vote indicates that Ford will have "serious problems" with similar proposals in the fall. The master UAW contract with Ford expires Sept. 14, as do remaining local agreements.

In announcing the proposed pact, Ford surprised the industry with an upbeat forecast for its steel operation, which dates from the early 1920s.

Rouge Steel President David Blackwell said, "We're going to be a tough competitor next year." He said that "a couple of pieces" still need to be put in place "to make Rouge Steel competitive not only domestically but worldwide." He added, "the facility is absolutely poised to be world-class."

AUTOMOTIVE NEWS/JOE WILSSENS

Rouge Steel employees cast their ballots

The only U.S automaker with its own steel-making facility, Ford recently invested $300 million in a continuous caster and an electrogalvanizing line.

Rouge Steel employs 3,800 UAW members from Local 600. Opponents of the contract said that the contract passed at only one of the plant's five units — the rolling mill.

Leone and an opposition group of skilled tradesmen said that if

see ROUGE, page 54

Chrysler selling 2.2-liter tooling to Chinese maker

HONG KONG — Chrysler Corp. has agreed to sell China's government-owned First Autoworks tooling for Chrysler's 2.2-liter engine, according to a reliable source close to the negotiations.

The source, returning from Mainland China, said in a telephone interview that agreement had been reached between Chinese officials and Chrysler on the engine deal and that another deal was expected under which China would buy tooling to build the Dodge 600 from Chrysler.

A formal announcement could come any time, the source said.

In Detroit, Chrysler officials declined to comment on the report. But earlier (Automotive News, June 29), Chrysler had confirmed it was in discussions with the Chinese automaker involving purchase of the engine and Dodge 600 tooling.

The agreement has apparently not ruled out another pact with French automaker Citroen. A spokesman for Citroen said that the company is continuing to negotiate with the Chinese for the assembly of Citroen engines in China.

The source from China said the 2.2-liter engine will be used as the base engine for vans and light trucks produced by First Autoworks. First Autoworks is anxious to have the engine so that it can meet the government's production goals, the source said.

In a related development, Chrysler was reportedly close to a deal with First Autoworks to supply the tooling for its Dodge 600 model, which is scheduled to go out of production after the 1988 model year.

The Chinese automaker wants to replace its Red Flag sedan with another car soon. First Autoworks favored the Dodge 600 as a replacement instead of another front-runner, the relatively new Audi 100 (called Audi 5000 in the United States) because "they can get the (Dodge 600) tooling for next to nothing from Chrysler," said the source from China.

Chrysler's 2.2-liter engine is used in the Dodge 600, making a car deal with Chrysler more attractive in light of the engine agreement.

Chrysler will sell the head and block line once used in its Trenton, Mich., engine facility to the Chinese company, the source from China said. The 2.2-liter engine remains in production in Trenton, however.

The Chinese company has said that it can produce 250,000 to 300,000 engines a year using one shift at its plant and up to 400,000 a year using two shifts.

The source said the machinery to be sold to First Autoworks is old and "would have to be rehabilitated and installed in their (Chinese) factory."

The other components of the en-

see CHRYSLER, page 53

KEY MAN

Werner can pick his spot; Daimler, VW want him

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The key figure in the unexpected resignation last week of Daimler-Benz Chairman Werner Breitschwerdt may have been Helmut Werner, chairman of Continental Gummi-Werke AG, West Germany's largest tire manufacturer.

Automotive News has learned that Werner is not only being courted by Daimler as a possible future chief executive, but also has been wooed by Volkswagen AG.

According to sources at VW's Audi subsidiary in Ingolstadt, West Germany, Werner has been offered the top job at Audi with the expectation that he would replace VW Chairman Carl Hahn in 1991 when Hahn is due to retire.

Werner succeeded Hahn at Continental in 1982 after the Volkswagen chief assumed his

see WERNER, page 53

Werner, chairman of Continental Gummi-Werke AG announcing Continental's purchase of General Tire

Ford will spend $30 million to fix ambulances

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. will spend $30 million to voluntarily recall more than 15,000 ambulances built on E-350 chassis or vans between 1983 and 1987 to modify them against potential fires.

Ambulances built on the E-350 chassis and vans converted to ambulances have been involved in 34 fires nationwide, and customers have complained that gasoline spurts from the fuel tank.

The voluntary recall announcement Friday followed by 24 hours a petition by six state attorneys general asking NHTSA to step up its inquiry into Ford ambulances built on E-350 chassis.

Helen O. Petrauskas, Ford vice president — environmental safety

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Audi prepares 4 new models, V-8 Page 2
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King of Hill Vette to get royal power

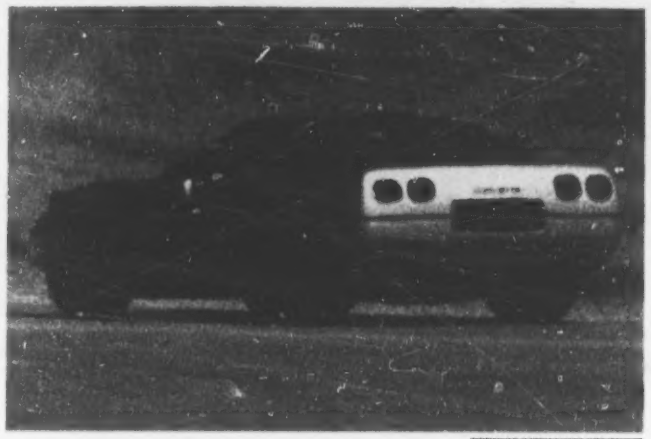
DETROIT — The top-secret "King of the Hill" Corvette isn't so secret anymore.

The look of the ultra-Corvette is little changed from the existing version. The front is identical to the current Corvette but, beginning at the middle of the doors and extending to the rear, the body widens considerably to accommodate the specially made, extra-wide Goodyear tires.

AutoWeek, a sister publication of Automotive News, reports in its July 20 issue that the new Corvette will be powered by the Chevrolet LT-5 V-8 engine, basically the same as the 5.7-liter engine in today's Corvette but equipped with Lotus-engineered twin-cam four-valve heads. The engine is matched with a six-speed ZF transmission.

The engine is planned to have an output of 400 horsepower and 400 pounds-feet of torque. The goal is for the "King" to do zero to 60 mph in the four-second range, a quarter mile in 13 seconds or less and have a top speed of 180 mph, the magazine reports.

The new Vette is expected to be in dealer showrooms within two years and reportedly will carry a price tag in the $45,000 to $50,000 range.



POPULAR MECHANICS-JIM DUNNE

Look is little changed, but beginning at the middle of the doors, the body widens considerably to accommodate the specially-made, extra-wide tires

KORDICK

Love thy dealer is message of Ford Parts-Service boss

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — At Ford Motor Co.'s Parts and Service Division, where the notion of helping customers is implied in the name, there may have been logic in picking a boss who preaches love and trust as unblushingly as a Sunday school teacher.

Still, it was an unlikely place for such an appointment in early 1985. The division and Ford Motor Co. dealers had often been in conflict over the years — if they interacted at all. And bringing a car in for repairs, General Manager Joseph Kordick admits, had to rank among life's most unpleasant experiences.

In the two years since he's been in the job, Kordick has been trying to change the way Parts and Service does business. By many accounts, he's succeeding. And the parent company paid tribute to Kordick and his 33-year career this spring by making him a vice president.

Kordick, 55, was Parts and Service Division programs manager in the mid 1970s and subsequently headed Ford's Glass Division and its North American marketing and international export operations.

It's not Kordick's track record but his ideas, however, that are likely to raise eyebrows on a first meeting. Take, for example, these comments from a recent interview:

• "Can you get hugged and kissed in every (Ford) dealership in America today? Hell no. But I'll bet you in half of them you can, and maybe even more than that."

• "We don't want to run a business that ends up in this office, because I'm going to be out hugging dealers."

Kordick's ideas: likely to raise eyebrows on a first meeting

• "I use the words loving and caring very frequently with our employees, with our dealers, with everyone. So I have become kind of known as a kook on that subject."

And, Kordick concedes, he's also encountered some skeptics among the division's 7,600 employees and the company's 5,600 dealers.

His language — sprinkled with mild expletives still lingering from his West Chicago upbringing — causes some people to doubt his professed commitment to Christ.

see KORDICK, page 22

Toyota dealer sues on allocation plan

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A North Carolina dealership that is challenging a Toyota distributor's allocation practices has dropped Toyota Motor Sales from its $30 million civil suit and has added a rival dealer. It said the rival profited from the distributor's tactics.

Rice's Toyota World, of Greensboro, has added Toyota Sanford to its lawsuit and is pressing a similar case against Southeast Toyota Distributors before the state Department of Motor Vehicles.

In the matter before the Department of Motor Vehicles, Rice seeks to have the distributor's license suspended. A newly formed group of Toyota dealers recently won the right to be heard in that proceeding, which is scheduled to begin Aug. 3. The civil suit asking $30 million in damages will not be heard until the Department of Motor Vehicles case is completed.

Eugene Boyce, an attorney representing the new dealer group, said he will be allowed to take a position in the case on behalf of the dealers as well as cross-examine witnesses. About 28 of the state's 38 Toyota dealers are members of the group, which calls itself North Carolina Toyota Dealers Inc.

Boyce said the dealers sought standing in the case because Garson Rice Sr., who brought the charges, "made allegations that purported to speak on behalf of all the dealers." The group is not involved in the $30 million lawsuit.

Rice, who has had depositions taken from a number of dealers, recently sent a letter to all Toyota dealers in North Carolina outlining why he is suing Southeast Toyota and bringing the action to suspend the distributor's license.

Rice said the turn-to-earn system "rewarded cheating, false reporting and sham sales to leasing companies."

In both legal proceedings, Rice accused Southeast Toyota of using false sales reports and sham sales by dealers to its World Omni Leasing Inc. so the distributor could obtain a greater car allocation from Toyota Motor Sales.

He said that when he would not go along with Southeast Toyota, the distributor began to deprive his dealership of cars.

"In November of 1986, I probably averaged less than 22 or 23 cars in daily stock," Rice wrote. "During this same time period, Toyota Sanford was advertising in one-third-page ads in the Greensboro News & Record that it had hundreds of cars available for sale."

Rice included an aerial photo of Toyota Sanford, taken, he said, on Dec. 6, 1986. It showed more than 300 vehicles on the lot. The amended civil suit filed by Rice now includes Toyota Sanford.

Rice is predicating his lawsuit and the Department of Motor vehicles action on a 1983 North Carolina law that prohibits makers or distributors from failing to deliver new vehicles in reasonable quantities relative to the dealer's facilities and sales potential.

Don Strickland, an attorney representing Rice, said the law was meant to prohibit turn-to-earn practices used by Southeast Toyota.

According to Rice's suit, Toyota Motor Sales U.S.A. could cancel Southeast Toyota's distributor agreement if Southeast's license is suspended in any state. Neither Toyota Motor Sales nor Southeast Toyota would comment on that point or on the case in general.

Meanwhile, Southeast Toyota has sent a letter to North Carolina dealers saying that Toyota Motor Sales has tightened retail sales reporting requirements.

According to that letter, sent by Al Hendrickson, Southeast Toyota's automotive group vice president, "The action taken enables us to enhance the allocation process and 'build a floor' or 'provide a minimum pipeline fill' for each customer (dealer) for cars, trucks and cargo vans based on each dealership's sales potential in its market area, with due consideration being given to dealership facilities."

The letter said that dealers now must provide the name, address and telephone number of the lessee in order to to receive credit for a retail sale to a leasing company.

Cars sold for dealership or daily rental use must be kept in service at least 180 days rather than 120 in order to receive retail credit. Cargo van sales will be credited only when there is a transfer of possession, title and control to the ultimate consumer or a converter

According to Toyota Motor Sales, the company's objective "is to eliminate to the maximum extent possible intentional misreporting of retail sales."

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Automotive News World Congress opens Sunday

A business strategist, a steel industry executive and a highly successful auto dealer are among 34 speakers featured at the 12th annual Automotive News World Congress, which opens next Sunday and runs until midday Wednesday at the Hyatt Regency Hotel in Dearborn, Mich.

They are: Norman Stoller, director of SRI International's Transportation Equipment and Component Industries Program; Milton Deaner, president of the American Iron and Steel Institute; and Ronald B. Tonkin, president and chief executive officer of Ron Tonkin Dealerships.

Stolier, who specializes in business problem-solving and strategy development, will speak Monday on "Meeting the Competitive Challenge — Price, Quality, Technology — What Next?"

He has conducted worldwide business strategy studies in the automotive, truck, marine, farm, construction, aircraft and railroad industries, and has been the project leader of more than 100 studies including 20 worldwide and 30 in foreign countries.

Stoller's experience also includes business and techno-economic studies in a broad range of advanced technologies such as structural ceramics, robotics and computer-aided design and manufacturing.

Deaner also will speak Monday, and his topic will be "Awakening the Sleeping Giant." Before joining the Iron and Steel Institute in January, he was chairman and chief executive officer of McLouth Steel Products Corp.

During his nearly 40 years of steel industry experience, Deaner worked for McLouth as chairman and president, for National Steel Corp. as vice president — engineering and for the former United States Steel Corp. as blast furnace supervisor.

Tonkin will speak Tuesday and will discuss "Automobile Dealers: Today and Tomorrow."

Tonkin, whose working life has been devoted to the automobile business, has nine dealerships, all in the Portland, Ore., metropolitan area.

His franchises include Chevrolet, Ferrari, Alfa Romeo, Honda, Toyota, Maserati, Mitsubishi, Dodge, Yugo, Acura, Suzuki, Sterling and Zimmer.

He represents Oregon as director of the National Automobile Dealers Association and is NADA Region IV vice president.

The overall theme of this year's World Congress is "Facing Up to Competitive Times." Daily themes are "Recoveries and Strategies for the Domestic Industry" (Monday), "The Importance of a Global Perspective" (Tuesday) and "Coping With Change" (Wednesday).

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

Hagenlocker: "Great news for Ford and Louisville"

Ford Louisville to expand; 4-door Bronco II expected

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

LOUISVILLE, Ky. – Ford Motor Co. plans to invest $563 million in a new line of light trucks — believed to be a four-door version of the Bronco II — that will be built at its Louisville, Ky., assembly plant.

Employees said Ford engineers have been gearing up to build the new Bronco II compact truck at the plant for two years, although Ford refused to confirm the product. The new vehicle is expected to be introduced in late 1990.

Ford officials said $263 million will be spent on expansion, tooling and support programs for additional production.

The $300 million addition will cover 162,000 square feet and include a new frame and chassis assembly area and pre-trim facility.

"This is great news for Ford and for the people who live and work in and around Louisville because it means we will be able to build on our leadership position in the light-truck market," said E.E. Hagenlocker, company vice president and general manager of Ford Truck Operations.

A Ford spokesman said the expansion project could affect up to 1,200 jobs at the Louisville plant — as many as 300 new jobs resulting from the new model, retention of up to 700 existing jobs that might have been transferred elsewhere if the plant had not been selected to produce the new vehicle and 200 jobs related to possible future production increases.

Assembly of the Ranger began at Louisville in 1982 and Bronco II was added in 1983. The plant opened in 1955.

Louisville is expected to produce about 120,000 Bronco IIs and 218,850 Rangers in the 1987 model year.

Import stocks of cars, trucks climb to record

Inventories of unsold new imported cars and trucks stood at record highs July 1.

Stocks of cars at dealerships, ports of entry and in transit climbed to 650,508 units, a 60-day supply at current selling rates.

Stocks on June 1 also had been a record — 606,583 units, a 58-day supply.

On July 1 last year, imported-car stocks totaled 400,106 units, a supply good for 40 days.

The inventory of imported trucks also reached a record high. The July 1 total was 241,038, a 71-day supply. On June 1, the truck figure was 230,562, equal to a 67-day stockpile.

The previous high for trucks was May 1 this year when the total was 238,832, a 67-day stock.

The combined car and truck inventory July 1 was 891,546 units, a 63-day supply. That compares with 837,145 units, a 60-day stock, on June 1 and 806,711 units, a 63-day stock on May 1.

A year ago, the combined car-truck inventory consisted of 593,714 units, a 46-day stockpile.

As of July 1, 66.23 percent of the imported cars in inventory were from Japan; 16.21 percent were from West Germany; and 17.56 percent were from other nations.

IMPORT DAYS' SUPPLIES

	July 1, 1987	June 1, 1987	July 1, 1986
Chevrolet	152	161	89
Chrysler Corp.	91	104	102
Acura	33	37	33
Honda	16	11	10
Isuzu	93	75	112
Mazda	54	72	29
Mitsubishi**	92	54	58
Nissan	85	107	38
Subaru	87	94	31
Toyota	26	19	21
JAPAN	60	58	37
Audi	43	89	100
BMW	73	67	30
Mercedes-Benz	46	37	29
Merkur	71	120	78
Porsche**	170	79	39
VW	80	72	63
GERMANY	70	68	52
Alfa Romeo	80	69	31
Festiva	124	82	0
Hyundai	29	30	0
Jaguar	11	21	26
Peugeot	93	97	80
Pontiac	82	0	0
Renault	246	270	263
Saab	75	75	39
Sterling	76	74	0
Volvo	59	50	47
Yugo	41	45	66
Other Countries	52	50	48
Total Import Cars	60	58	40
Isuzu	130	96	93
Mazda	74	68	28
Mitsubishi**	94	61	80
Nissan*	69	104	98
Range Rover	18	47	0
Suzuki	18	18	9
Toyota	60	46	59
Chrysler	96	113	81
Total Imp. Trucks	71	67	64
Total Imp. Vehicles	63	60	46

*Includes domestic trucks.
**Automotive News estimate.

Safety group charges fire hazard in '84 Fiero engines, urges recall

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Center for Auto Safety has asked NHTSA to investigate engine fires it says occur in about one out of every 900 1984 Pontiac Fieros.

The group asked the government to warn owners and order a recall as soon as possible. It also said General Motors should be charged with violating NHTSA rules on retaining records. The safety group said GM should be subject to as much as $800,000 in fines and possibly criminal penalties.

"We are continuing to cooperate fully on this matter with NHTSA," GM said Friday.

GM admitted to NHTSA that it "misplaced or inadvertently discarded" documents related to a special GM committee investigating the cause of Fiero engine fires. The committee apparently was formed in late 1983 within weeks of the 1984 Fiero introduction and lasted until early 1985.

NHTSA requested those documents in May as part of its engineering analysis — a low-level investigation into the alleged problems that opened on July 18, 1986. The center accused GM of failing to tell NHTSA of its early Fiero fire committtee until a year after its documents were missing.

Criminal charges involving documents GM either withheld or delayed and thus misled the government remain pending against GM in the 1980 X-car case involving alleged rear-brake lockup.The government has appealed the verdict in the civil X-car case.

The Center for Auto Safety said it has reports of 140 1984 Fiero fires, and nine injuries.

GM told NHTSA the actual risk is "minimal." But the center pointed out that a U.S. District Court in another GM case involving fires — GM Buick Quadrajet carburetors in 1977 — ruled that the law is meant to "prevent serious injuries stemming from established defects before they occur." It is not merely to redress the situation after harm has been done.

Other GM documents which NHTSA does have indicate the 1984 Fiero "is all too aptly named," said Center for Auto Safety investigators Dan Howell and Russell Shew.

They maintain it suffers from a combination of chronic overheating problems and an assortment of defects that allow coolant and oil to leak or spill on to exhaust components whose surface temperatures are so hot the fluids ignite.

Quoting from documents in the NHTSA docket, the center's petition cites an Oct. 6, 1983, GM employee memo marked "urgent." It warned of fires when coolant hose clamps come loose. It was followed by a November 1983, memo pinpointing a supplier problem with H.K. Porter Co., maker of hose clamps, and continuing problems despite fixes.

According to the documents, in November 1984, two reliability engineers from the newly organized Chevrolet-Pontiac-Canada Group referred to the "disturbing number of field fires" and to steps taken by the Fiero assembly plant to eliminate the possibility of "operator-caused failures which could result in a vehicle fire."

Memos dated December 1984 and undated ones, according to the center, show the "thermal distress" study moving beyond hoses and clamps to "ventilated engines" and "timing plate leaks."

In a document dated October 1986, GM told NHTSA about "improper service procedures" and said that problems occur only at low mileage. GM documents given to NHTSA in May referred to poor casting quality, mostly "microshrinkage" in the 2.5-liter engine's connecting rod. GM noted it was used in all 2.5-liter engines since the late 1970s, not just in Fiero.

The presumed explanation of why fires occur in 1984 Fiero engines and not in all 2.5-liter engines came in a December 1983 memo from GM's Central Foundry Division. The memo explained that the compression ratio of the Fiero engine was increased by 0.5, thus raising the load on the connecting rod.

In addition, the test speed of the dynanometer was raised and that meant an increase of some 26 percent in tensile load on the connecting rod. The Center for Auto Safety deduced that engineers at Pontiac and Chevrolet raised the compression ratio but "apparently someone forgot to tell the people who make the connecting rods."

A December 1984 memo from Central Foundry said that "engine failure due to internal shrink" continued and "no permanent solution has been found."

Last May, however, GM told NHTSA it found no evidence that failing rods have caused fires. Instead, GM referred to other conditions, including "oil system failure" that could cause rod failure.

The center pointed out that GM cannot use those arguments as reasons for not recalling, since GM service bulletins sent to dealers in 1984 and 1985 said the 1984 Fiero engine may have oil contaminated by coolant due to a cracked block.

Dealers were told in late 1985 that if a customer brought in a 1984 Fiero with a cracked block not due to owner abuse, the existing 2-year/24,000-mile warranty should be extended to 5 years and 50,000 miles.

But, the center noted, GM never informed owners of the availability of free repairs or that fires might occur if the engine block cracked.

Responding to the center's letter of last February asking GM to notify owners of its "secret warranty," GM indicated the problem was a relatively rare, low-mileage one.

But the center said that the Pontiac warranty data GM provided to NHTSA showed otherwise. It noted that the failure rate for engine block cracks was 2.5 percent under the 2-year/24,000-mile warranty alone.

Moreover, said the center, the safety risk was increased because of delay in diagnosing and repair, since dealers may deny coverage and owners postpone costly repairs.

If owners just keep adding coolant without being aware of oil contamination, the engine would ultimately fail and fires would occur. The center pointed out that if owners knew of free repairs, they could prevent worse problems.

GM told NHTSA that owners have advance warning — the smell of gasoline, coolant gauge showing overheating or excessive engine noise. Yet, the center said it had complaints saying the only warning was the sight of fire in the mirror.

FORD

FROM PAGE 1

engineering, said the recall will be conducted as "a safety-related defect" recall with NHTSA in the hopes of expediting modification.

Beginning in 1988, Ford will restrict sales of E-350 chassis and vans for conversion to ambulances to 7.3-liter diesel engines that do not require catalytic converters.

"The diesel engine runs cooler and doesn't require a catalytic converter," said Robert M. Munson, director of the automotive safety office, Ford Environmental and Safety Engineering Staff.

Ford said it believes the fires and fuel ejection phenomenon are connected to high underbody temperatures and increases in gasoline pressure in the tank.

Special modification kits containing up to 60 components will be sent to some 525 Ford dealers for use on the ambulances. The kits will include a fuel tank vent valve, a grommet for the valve, a fuel tank restrictor and a heat shield for the muffler.

"Ford dealership technicians will give each ambulance a validation drive to verify that the modifications have been made correctly, but also to evaluate the performance and driveability for the ambulance before and after the modification," Petrauskas said.

Ford officials have inspected 29 of the 34 burned ambulances and said fires started for a variety of reasons. "The fires were all in the underbody but there was no one single causal factor," Munson said.

Another Ford spokesman said eight of the fires started near the midship fuel tank. The ambulances have two fuel tanks — one is in front of the rear axle and the other behind it.

In one fire, a grommet replaced by Ford in a pilot recall program of 250 vehicles earlier in the year cracked and leaked fuel. The spark was caused by an electrical wire that was crushed when Ford reconnected the fuel tank.

In another instance, Ford officials said they believed fuel leaked from rewelded seams in the fuel line and the spark originated from holes in the muffler.

Ford sells the E-350 chassis and vans to manufacturers that convert them into ambulances, but the company said it will bear the entire cost of the recall program.

"We will fix all conditions, even including ambulance manufacturing and operator maintenance errors that are totally unrelated to the original design and construction of the E-350 chassis or van," Petrauskas said.

She said the company received about 90 complaints about fuel spurting and fires per 10,000 ambulance customers. The company received one complaint per 10,000 vehicles from owners of other vans, she said.

Jaguar clears it up

Jaguar Cars has corrected its recall announcement for microswitch replacement in XJ6 sedans. The model year for affected cars is 1986, not 1986 (Automotive News July 13).

SERVICE MANAGEMENT

Raided parts seller seeks advice

SHOP TALK

ARTHUR FLAX

Is it a counterfeit or a reproduction?

Bill Clement, owner of a collector-car parts house that was raided recently by federal agents on suspicion of selling counterfeit Chevrolet parts and vehicle identification tags, believes the auto companies should set up a better method of dealing with companies that reproduce antique car parts.

He said he feels better communications with automakers would help establish what activities are legitimate.

Clement said his Chevy Craft shop, a classic Chevrolet parts and restoration house in Lubbock, Texas, was raided by "about 20 FBI, Department of Transportation, state police and internal revenue agents who seized about $20,000 in goods."

Clement said it was one of a series of raids conducted around the country. Some of the shops raided were padlocked, but Chevy Craft was allowed to stay in business, Clement said.

He said, "The federal people were nice to the point where they said they were sorry they had busted a legitimate business. . . . But it was like my worst nightmare come true."

Clement admitted he sold reproductions of certain Chevrolet labels and parts. He said they were identified as reproductions. He claimed that it is often not clear what can and cannot be reproduced or sold.

The reproduction manufacturer often faces "a nightmare of long-distance stonewalling, letter writing and frustration . . . (because) it doesn't pay the manufacturers a cent to become involved with the antique car aftermarket," Clement said.

He claimed that much of the material that was seized — including owners' manuals, warranty books and decals — was produced with General Motors' permission. In fact, a good portion of the seized material was "genuine GM," bought from dealers' outdated stock, he said.

"They seized anything with the Chevrolet bow tie," he said.

The main thrust of the raid was apparently aimed at confiscating counterfeit vehicle identification tags. The tags are used by thieves to disguise stolen vehicles. VIN tags are also used by car collectors to inflate the value of their cars.

Clement sold blank vehicle identification tags for Chevrolet models built before 1968 — along with instructions on how to go through the proper legal channels to have them affixed. He freely admitted that car collectors value authentic VIN plates over VIN tags reissued by a state.

He said, "I don't feel I've broken any law."

Although VIN tags can certainly be used to disguise stolen property, Clement claimed that is unlikely with the older cars. He said many "boneyards" surrender VIN plates and titles when they take in wrecks. When collectors buy wrecks and restore them, they want original-appearing VIN tags for the cars they restore, instead of state-issued tags.

Clement said he believes auto manufacturers are alienating their "strongest supporters" — people who are likely to buy tow vehicles of the same make as their collector cars.

If the supply of reproduction parts dries up, he said, "We are doomed to drive these computerized metric jellybeans instead."

Ford sues

Ford Motor Co. is suing Keystone Automotive Industries, a Pomona, Calif., importer and distributor of foreign-made auto body parts, for false advertising.

Ford said it is basing its charges on Keystone's claim that its body replacement parts "meet or exceed OEM specificiations" and are "equal to OEM in fit, finish, weight, gauge and overall quality."

Ford claimed the Keystone parts will corrode faster than Ford replacement parts and that they do not fit as well.

Ford filed the suit in U.S. District Court in Detroit and is asking for treble damages and court costs as well as "corrective advertising" from Keystone.

Porsche 356

Porsche dealers in the United States can now order parts for the company's classic 356 series.

Porsche Cars North America is stocking more than $1 million worth of 356 parts at its distribution center, and additional parts are stocked at the factory in Stuttgart, West Germany.

Larry Morris, formerly general manager of parts sales and merchandising and now national sales director for Porsche Cars North America, said, "We have more than 3,300 items in stock and available for immediate delivery to our dealers. Our inventory includes most of the parts necessary to restore the most common 356 models and our plan is to expand our inventory so that we'll have parts for all 356 models, including four-cam Carreras. At the factory in Germany, employees are contacting original suppliers to obtain more quality parts for our inventory."

AUTOMOTIVE NEWS/ARTHUR FLAX

Analytics' Chuck LaGrossa "discusses" repair with computerized service unit

Smart diagnostic system talks to auto technicians

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

When an Army truck or tank breaks in the field, who repairs it? In the past, it was the master mechanic, the guy who could put a truck right with chewing gum or a hammer.

But Army machines are becoming more complex and the expert mechanics are leaving — just as automobiles and trucks are becoming more complex and trained mechanics are in short supply.

Analytics, an advanced technology firm in Willow Grove, Pa., is developing a computerized diagnostic system that uses artificial intelligence and voice recognition to help Army and private industry technicians repair vehicles.

The Automated Intelligent Maintenance System is being developed under a government Small Business Innovative Research contract.

Edward J. Kapnic, Analytics marketing director, developed the concept. He said Analytics plans to produce a commercial version of its diagnostic machine in 1988.

To date, Analytics has produced a "proof of concept" prototype for the Army's HUMMWV (Hummer) vehicle and plans to have a fully functional prototype by the end of the year.

The Army invested about $50,000 in the development of the proof of concept unit and Analytics has invested about $100,000.

Should the military choose to put the system in the field, it will take several years to meet government requirements. In the meantime, Analytics plans to develop the commercial unit.

Stephen W. Leibholz, Analytics president, said the first commercial customer might be a fleet that services about 50 vehicles daily.

Leibholz said a production system will consist of a portable personal computer-sized terminal along with a microphone-headphone set for the technician. The terminal will have a video screen and will be able to diagram a repair procedure for the technician.

Analytics, he said, has the technology to store up to 250,000 pages or pictures on a compact disc.

The technician also will carry a small box with a keypad to punch in information. Eventually, he predicted, the system will become even more compact.

The system can recognize several words and numbers from the technician's voice and can respond to the technician's commands.

For example, the system may ask the technician to perform a task, such as turning on the lights or checking battery cables. If the technician misses a command from the computer, he will ask the machine, "What?" and the computer will repeat the command.

The system also employs what Analytics calls "interactive intelligence." That is, it adjusts the information it provides to the technician and its speed. When the technician signs onto the computer, the system remembers the technician and his skill level. Also, the system adjusts its operation depending on the speed at which the technician performs the diagnostic routine.

The system employs artificial intelligence; that is, it mimics the problem-solving routine of a master mechanic rather than following a long troubleshooting tree as advocated in the service manual.

Leibholz said, "There are 48 steps in the manual to troubleshoot the electrical system of the Army's HUMMWV. We have it down to 12 following the mechanic's logic."

Joe Herman, project engineer for the vehicle electronics division of the Army's Tank-Automotive Command, added, "We're losing maintenance experts faster than we can replace them. We need to computerize their experience."

Leibholz said the first commercial units will sell for about $20,000 each. The exact price will depend on the number of units programmed for a particular type of vehicle.

By 1990, Analytics plans to produce a version that will be programmed to repair a whole range of car models. Leibholz said it could sell for below $10,000."

Service Index declines for May

But backshop volume stays ahead of '86 for five-month period

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Automotive News Service Index fell 0.7 percent in May, compared with May 1986. It was the first decline since January in service and parts business at new-car dealerships.

Shop business fell 1.7 percent in January, compared with January 1986.

In April, shop business was up 4.1 percent over the 1986 figure.

In the first five months of 1987, shop business showed an advance of 2.8 percent over the same period in 1986.

Among dealers reporting a decline in business, a Rocky Mountain Chevrolet dealer said, "May was probably the worst month in (our) history . . . No sales. No repair."

A Chevrolet dealer in the Northeast said his decline from April was due to a 20 percent drop in body shop business.

A Northwest Lincoln-Mercury dealer attributed his service decline to the local economy.

An Eastern Chevrolet dealer speculated that his service decline might have been caused by a slip in the quality of his service advisers.

SERVICE INDEX 99.3★

	May, '87 vs. May, '86	5 mos., '87 vs. 5 mos., '86
Gross Profit on All Labor and P&A Sales	+3.3%	+4.7%
Repair Orders Written	−3.6%	−4.1%
Total Labor Sales (Customer & Warranty)	−1.0%	+4.9%
Shop Parts Sales (Cusiomer & Warranty)	−1.5%	+2.7%
Sales of All P&A	−0.6%	+5.6%

★— Survey by Automotive News shows that dealers' service and parts business in May 1987 was 99.3 percent of business in May 1986. Service business in the first 5 months of 1987 was 102.8 percent of business in the corresponding period in 1986.

Also, he said there was one more working day in May 1986.

Of dealers reporting increases in service volume, a Rocky Mountain Buick dealer attributed his success to "better salesmanship on the service drive."

A Midwest Ford dealer said his service increase resulted from the addition of more mechanics and "hot weather, which caused more breakdowns."

A Northwest Chevrolet-Honda dealer also mentioned the season and the weather as reasons for his increase in shop business.

Gross profit on all labor, parts and accessory sales was up 3.3 percent in May, but all other indicators were down.

Repair orders written were down 3.6 percent; shop parts sales (customer-paid and warranty) declined 1.5 percent; total labor sales (customer-paid and warranty) fell 1.0 percent; and sales of all parts and accessories dropped 0.6 percent.

There was no change in parts and accessories sales to off-premises customers.

Sales of all parts and accessories showed the biggest gain through the first five months of 1987, up 5.6 percent.

Total labor sales were up 4.9 percent; gross profit on all labor parts and accessory sales climbed 4.7 percent; and shop parts sales increased 2.7 percent.

Parts and accessory sales to off-premises customers were up 7.9 percent in the first five months of 1987.

Repair orders fell 4.1 percent through May.

Brazil sales dive; exports strong

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — First-half vehicle sales in Brazil were down 39 percent from last year's and were the lowest for the period since 1972. But the industry's exports set a record of $1.16 billion.

The dramatic decline in the domestic market stemmed from the combined effects of a downturn in the economy, parts supply problems at the beginning of the year and tax levels, which the government began to lower only in June after dealers had stopped buying cars from the manufacturers.

In the January-June period this year, the industry sold 279,839 vehicles of all types, compared with 459,019 in the same period last year.

During the first six months of 1987, sales consisted of 198,112 cars and pickups, 50,630 light-commercial vehicles; 26,506 medium- and heavy-duty trucks and 4,591 buses. The comparable figures for the first half of 1986 were 359,044 cars and pickups, 59,639 light-commerical vehicles, 36,407 medium- and heavy-duty trucks and 3,929 buses.

Exports, meanwhile, went from strength to strength. Brazilian makers sold 157,273 vehicles abroad in the first half compared with 93,373 in the same period of 1986.

Exports brought in some $1.16 billion, nearly 43 percent more than the $819 million registered in the equivalent period last year. That was despite the industry's complaints of a 20-30 percent overvaluation of the cruzado.

The export figure would have been higher had it not been for parts problems experienced by some manufacturers early in the year.

That was particularly true of Volkswagen's Fox subcompact exports to the United States. Parts problems caused a reduction in Fox export forecasts from an initial 100,000 to 80,000 for the year.

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DOMESTIC SALES

	July 1-10, 1987	July 1-10, 1986
Renault		
Alliance-Encore	525†	1,100†
AMC	150†	250†
American Motors	675	1,350
Chrysler	7,431	10,018
Plymouth	5,949	8,659
Dodge	8,050	11,000
Chrysler Motors	21,430	29,686
Ford	33,624	34,164
Mercury	12,267	12,094
Lincoln	4,344	3,590
Ford Motor Co.	50,255	49,848
Buick	12,552	17,925
Cadillac	5,112	5,809
Chevrolet	32,926	38,092
Oldsmobile	15,766	22,393
Pontiac	14,630	19,677
General Motors	80,986	103,896
Volkswagen	899	1,858
Honda	9,401	2,803
Nissan	1,659	33
Toyota	605	0
U.S. Industry Total	165,910	189,474

†—Estimate
Compiled by Karen Detkowski

Auto sales decline 12% in early July

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of domestic cars in early July fell 12.44 percent below those of a year ago with only Nissan and Honda reporting gains.

Sales for the July 1-10 period totaled 165,910 cars, compared with 189,474 last year. The daily selling rate dipped to 20,738 units from an average of 23,684 a year ago. There were eight selling days in the period in both years.

There seems to be little evidence that sales incentive programs are drawing a significant number of buyers into showrooms.

"Current incentives have lost their allure, and factory marketing types are being hard pressed to come up with replacements," said one source in marketing circles.

Volkswagen sales were off 51.61 percent from those of a year before. American Motors dealers delivered 50.00 percent fewer cars in the July 1-10 period than they did last year. Chrysler Motors' sales were off 28.78 percent, and General Motors' sales dipped 22.05 percent. Ford Motor retail deliveries were down 0.82 percent.

Nissan sold 1,659 cars this year vs. 33 a year ago when its U.S. plant was down for model changeover. Honda sales rose 235.39 percent as deliveries climbed to 9,401 units from 2,803.

Toyota, which began making cars in the United States in September, sold 605 units in the July 1-10 period.

IMPORT SALES BY MODEL

	June, 1987	June, 1986	6 Mos., 1987	6 Mos., 1986
ACURA	9,809	4,102	50,171	12,949
Integra	4,990	2,370	28,381	7,469
Legend	4,809	1,732	21,790	5,480
ALFA ROMEO	657	650	3,422	2,866
AUDI	7,915	4,970	24,887	32,303
4000S	1,239	1,229	3,388	6,985
4000CS Quattro	289	281	1,120	1,997
5000S	4,277	2,395	14,412	16,844
5000CS Turbo	878	476	2,754	3,230
5000CS Turbo Quattro	1,060	337	2,557	1,629
Coupe GT	172	252	656	1,627
BMW	7,711	8,624	42,997	46,002
318i	1	32	15	829
524 TD	3	196	26	1,300
325	4,929	5,620	28,604	28,942
528e	867	667	4,897	5,907
535i/535iS	479	1,300	3,619	4,271
6-Series	161	251	999	1,430
73/L-7	1,096	538	4,264	3,323
M3	61	0	74	0
M5	48	0	145	0
M6	64	0	344	0
CHEVROLET	10,897	14,262	80,162	79,414
Spectrum	8,628	7,973	36,280	43,697
Sprint	4,269	6,289	23,882	35,717
CHRYSLER/MITSUBISHI	11,085	9,456	60,639	64,395
Colt	7,344	8,070	38,842	44,887
Conquest	1,147	437	6,660	2,810
Vista	2,594	2,949	15,137	16,698
FORD Festiva	1,492	0	2,945	0
HONDA	21,469	27,244	132,057	201,060
Civic/CRX	10,423	16,231	58,894	114,939
Accord	7,246	6,352	44,178	50,342
Prelude	3,800	4,661	28,985	35,779
HYUNDAI	27,189	15,131	127,056	52,396
ISUZU	4,438	2,633	16,151	16,203
I-Mark	3,912	1,817	12,405	9,157
Impulse	526	816	3,746	7,046
JAGUAR	2,192	2,504	10,024	11,506
XJ6	1,621	2,027	7,722	9,197
XJS	571	477	2,302	2,309
MASERATI	60	128	360	848
MAZDA	21,144	14,665	89,573	103,506
323	6,146	5,185	31,850	34,210
626	11,302	5,652	38,702	44,579
RX-7	3,696	3,828	19,021	24,717
MERCEDES BENZ*	7,273	6,101	45,411	44,209
190	1,454	1,391	9,446	10,585
260E	486	0	2,801	0
300	1,849	1,275	11,953	11,012
300SDL Turbo	573	459	3,620	1,770
420SEL	1,191	1,045	6,875	8,011
560SEL	453	691	3,178	4,667
560SL	944	901	6,014	5,781
560SEC	119	152	916	1,253
MERKUR	1,432	1,283	5,133	7,673
XR4Ti	641	1,283	4,008	7,673
Scorpio	791	0	1,125	0
MITSUBISHI	7,755	3,992	34,147	23,763
Starion	608	449	2,963	2,970
Cordia	432	431	2,168	2,616
Tredia	626	796	2,523	4,764
Mirage	1,938	1,152	8,469	6,147
Galant	912	1,164	5,940	7,266
Precis	2,467	0	8,443	0
Van/Wagon	772	0	3,641	0
NISSAN	37,013	52,031	211,284	238,312
Sentra	10,274	19,990	59,678	73,183
Pulsar	5,508	4,204	33,348	24,614
Stanza	6,026	8,119	32,656	28,058
Maxima	8,689	9,938	45,221	56,692
200SX	3,228	4,174	18,163	25,111
300ZX	3,023	4,424	20,452	28,329
Hawaii	265	1,182	1,766	2,325
PEUGEOT	755	1,043	4,440	6,592
PONTIAC LeMans	3,454	0	3,454	0
PORSCHE	2,200	3,197	12,824	14,726
924S	312	632	1,487	702
944	595	1,753	3,182	8,901
944S	177	0	1,348	0
944 Turbo	225	0	1,383	0
911 Coupe	364	626	2,504	3,877
911 Turbo	144	0	771	0
911 Cabriolet	218	0	1,085	0
928S	165	186	1,064	1,246
RENAULT	1,792	252	5,570	2,044
18i	0	170	0	1,001
Fuego	0	82	0	1,043
Medallion	1,792	0	5,570	0
SAAB*	4,279	5,020	22,087	23,980
900	913	1,628	4,650	7,375
900S	1,425	1,568	7,095	7,172
900 Turbo	836	872	4,264	4,053
9000S	353	0	1,627	0
9000 Turbo	584	840	4,007	4,987
STERLING	1,160	0	6,381	0
SUBARU	14,343	13,406	77,514	91,463
Hatchback	563	1,307	3,593	8,706
3-Door	1,253	1,042	6,532	4,832
4-Door Sedan	3,692	3,708	19,439	28,084
XT	1,695	1,928	9,852	12,703
Station Wagon	6,216	5,421	33,505	37,158
Justy	924	0	4,593	0
TOYOTA	47,584	47,241	242,808	277,848
Corolla	8,065	12,004	44,855	64,516
Tercel	8,993	5,490	40,864	34,560
Celica	6,692	7,346	36,209	51,745
Supra	2,467	3,404	14,175	13,171
Camry	15,849	11,007	75,289	65,011
Cressida	1,548	2,979	10,429	17,121
Land Cruiser	330	271	1,926	1,779
Van	1,171	1,506	7,145	8,957
4Runner SR 5	178	404	735	3,280
MR2	1,386	2,115	6,640	14,419
Hawaii	905	715	2,541	3,289
VOLKSWAGEN	12,813	13,092	62,855	77,576
Cabriolet	1,558	1,318	7,878	8,056
Jetta	5,163	8,375	28,985	51,881
Vanagon	742	1,162	4,960	6,348
Quantum	515	927	3,118	5,412
Scirocco	615	1,310	3,731	5,879
Fox	4,220	0	14,153	0
VOLVO*	9,083	11,600	61,964	63,423
240 Series	4,609	5,644	30,463	30,782
740 Series	3,129	4,844	24,047	25,558
760 Series	1,027	966	6,454	5,584
780	28	0	35	0
YUGO	4,761	2,014	27,034	11,840
IMPORT TOTAL	281,556	264,641	1,443,340	1,506,897

*Total includes tourist deliveries

AUCTION DATES

American Motors

July 21 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

July 22 — Columbus Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

July 23 — Evansville Auto Auction, Evansville, Ind., and Corry Auto Auction, Corry, Pa.

July 28 — D-A Auto Auction, New Stanton, Pa.

July 29 — Minneapolis Auto Auction, Plymouth, Minn.

Chrysler Corp.

July 21 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

July 22 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

July 23 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

July 22 — Lakeland Auto Auction, Lakeland, Fla.

July 23 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aptco Auto Auction, Taylor, Mich.; Bay Cities Auto Auction Inc., Hayward, Calif.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

July 28 — South Seattle Auto Auction, Kent, Wash.

July 29 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

July 30 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

July 21 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

July 22 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; and Baltimore-Washington Auto Exchange, Baltimore

July 23 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

July 28 — Harrisonburg Auto Auction, Harrisonburg, Va.

July 29 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

July to date	$5,910
Month ago	$5,876
Year ago	$5,173

Model Breakdown
Auction Averages

	JUL 1987	JUN 1987	MAY 1987
1987	$11,220	$11,113	$11,046
1986	$9,126	$9,187	$9,287
1985	$7,167	$7,191	$7,194
1984	$5,742	$5,727	$5,718
1983	$4,851	$4,852	$4,873
1982	$3,675	$3,687	$3,705
1981	$2,647	$2,680	$2,705
1980	$2,096	$2,134	$2,141
Overall Average	$5,910	$5,900	$5,871

Ford dresses up Brazilian pickup
Ford Brazil is offering the Pampa Ghia, which is built on Ford's Del Ray pickup platform. It has 13-inch wheels, flat wheel covers, a laminated windshield and upgraded interior trim. The original alcohol-fueled Pampa has chalked up sales of more than 58,000 since its Brazilian introduction in March 1982. Ghia, based in Turin, Italy, is a wholly owned subsidiary of Ford.

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WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

Ship's sinking scuttles Saab's expansion plan

By Knut Moberg
SPECIAL CORRESPONDENT

TROLLHATTAN, Sweden — Saab Car Division's plans to increase production this fall have, literally, been sunk.

The vessel, Conti Belgica, carrying three main presses from Hitachi in Japan to Saab in Sweden, sank off the coast of Yemen early this month. The ship went down two hours after running into a hurricane. The crew was rescued.

Saab needed the new machinery to increase annual production by up to 30,000 units. It was due to be installed after the August vacation in Saab's main production plant at Trollhattan, where all the preparations had been made.

Representatives from Hitachi are scheduled to fly to Sweden this week to discuss replacements, but the company is unlikely to be able to deliver them for about a year.

This is a major problem for Saab. Last year, it produced a record 126,400 cars, but it needs the extra capacity to reduce delivery time. The new presses were the main part of the plan to increase output.

The problem is compounded by a recent steady reduction in the volume of parts purchased from outside suppliers in anticipation of the arrival of the new equipment from Japan. Now, Saab is going back to the outside suppliers and asking for a resumption of deliveries.

New owner and name for Commercial Credit

MISSISSAUGA, Ontario — Commercial Credit Corp., a provider of vehicle leasing services, has changed its name to McCullagh Leasing. The company has a new owner, BNE Capital Corp., a U.S.-based holding company with assets of more than $27 billion.

Dealer competition

Quick-service centers on rise in Britain

By Jake Lucas
SPECIAL CORRESPONDENT

Large retail groups are using their aggressive sales and marketing techniques to make inroads into the annual $8 billion-plus car servicing market in Britain.

LONDON — News that J. Sainsbury, one of Britain's leading supermarket groups, will rent space for fast car servicing at some of its do-it-yourself and garden centers has highlighted the growing attack on franchised car dealers' traditional service business.

Large retail groups are using their aggressive sales and marketing techniques to make inroads into the annual $8 billion-plus car servicing market in Britain.

Significantly, the newcomers have earned healthy profits against a background of long-standing complaints from car dealers about the problems of making money on service.

The fast-service operators attribute their success to changing car servicing from being car manufacturer-led to customer-led.

They believe they answer car owners' criticism that the traditional dealer will rarely give a fixed quote on the cost of a job, so the repair bill will often escalate. They further believe that servicing is slow and replacement parts are expensive, and that the dealer's limited business hours are inconvenient for busy car owners.

For the handful of major fast-service chains in Britain, seven-day operation has been as much a part of their success as fixed pricing and no-quibble guarantees. The most aggressive centers are open from 8 a.m. to 8 p.m. each day.

The growth of the assault on the traditional dealers started with the specialty service centers offering while-you wait replacement of tires, exhaust systems, shock absorbers and batteries. Market leader Kwik-Fit now has 288 centers and 3 million customers. As the name suggests, Kwik-Fit's more sophisticated Stop 'n' Steer centers will also make repairs on brakes and steering. There are 19 already, and the goal is a network of 150.

Perhaps the most worrisome competition for dealers comes from Kwik-Fit's Autocenters, which have been developed from the success of the Stop 'n' Steer chain.

In addition to all the other work, the Autocenters offer oil changes, and radiator and clutch replacement. There are ambitious plans for 13 new Autocenters this year. Customers will be able to pay for repairs at any Kwik-Fit center with the company's Autocharge card that will also be accepted at selected Mobil and Texaco stations.

The most extensive servicing among the newcomers is offered by Halfords, a subsidiary of a major retail group. Since July 1985, Halfords has expanded from its leading chain of 320 main-street shops selling car parts, accessories and cycles to set up 16 service centers and 36 superstores.

By the end of 1988, it will have 90 superstores selling replacement parts and customizing kits at new out-of-town sites with service centers alongside 50 of the stores. An initial diagnostic engine check costs about $8, and the customer is then quoted either a fixed price for routine work based on the car's engine size, or a computer price for the specific repair required. Customers are encouraged to stand close by their cars while the mechanic is working.

Halfords plans to start selling accessories in the superstores, which also display an as-fitted price so that customers will be able to walk across to the adjacent service center and have a child safety seat or spoiler fitted immediately.

The car manufacturers have belatedly realized that dealers, suffering low profits on new-car sales, are now seeing their service business rapidly being taken away. More competitive pricing of fast-moving parts from the carmakers has helped. But there is clear evidence that even when dealers have trimmed their prices below those of the fast-service centers, they have still not convinced motorists to remain loyal.

Only the privately owned Volvo Concessionaires has adopted a lifetime guarantee for its cars as a method of helping dealers retain their traditional service business. For the moment, the only thing holding back the expansion of fast-service centers is the speed with which the companies can secure planning permission for new sites.

Car output rises 20%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled domestic auto production totaled 94,765, 20.31 percent more than the previous week's 78,769. Production in both weeks was reduced by plants idle for model changeover.

The automakers' estimated output last week was 29.66 percent below the year-ago week's 134,730.

Last week's targeted production was split as follows: General Motors, 47.19 percent; Ford Motor Co., 31.75 percent; Chrysler Motors, 7.33 percent; Honda of America Manufacturing Inc., 7.02 percent; New United Motor Manufacturing Inc., 3.96 percent; and Nissan Motor Manufacturing Co., U.S.A., 2.75 percent.

Volkswagen of America's Westmoreland, Pa., plant closed for model changeover July 13. The plant is expected to resume output Sept. 14.

GM's Willow Run, Mich., plant went down today and will remain closed until Aug. 14 for model changeover.

The following GM plants remain idle for model change: Tarrytown, N.Y.; Flint, Mich.; Janesville, Wis.; Lansing, Mich.; Wentzville, Mo.; Leeds, Mo; Orion Township, Mich.; Framingham, Mass.; Detroit-Hamtramck; Lordstown, Ohio; Arlington, Texas; Doraville, Ga.; and the Fiero plant in Pontiac, Mich.

GM's Clark Avenue, Detroit, plant will resume output at a reduced rate on Wednesday after being closed since June 29 for model changeover.

Ford shut its Wixom, Mich., and Kansas City, Mo., plants for model changeover on July 13. Both plants are slated to resume operations today.

The following Chrysler plants remain idle for model changeover: Jefferson Avenue, Detroit; Belvidere, Ill.; St. Louis; and Sterling Heights, Mich.

All Ford plants except Wixom and Kansas City are scheduled for daily overtime this week.

Week's truck production doubles

Domestic truckmakers almost doubled production last week compared to the prior week's build, as vacations ended at several plants.

Last week's targeted output of 71,692 was 93.89 percent more than the previous week's 36,975 and 7.98 percent more than the year-ago week's 66,391.

Ford Motor Co. plants and the Jeep facility resumed output last week after two-week vacations. Nissan Motor Manufacturing Co.'s plant in Smyrna, Tenn., will reopen today after a three-week vacation.

Overtime was slated last Saturday at General Motors' Lordstown, Ohio, plant.

Saturday overtime was scheduled at Ford's Twin Cities, Minn., plant.

Canada: Cars up; trucks down

Canadian automakers scheduled production of 9,392 cars last week, 15.23 percent more than the previous week's 8,151 and 4.95 percent more than the year-ago week's 8,949.

Truck production was targeted at 10,875 units last week, 11.74 percent below the prior week's 12,322 but 59.74 percent more than the year-ago week's 6,808.

Navistar International's Chatham, Ontario, plant remains idle for model changeover.

Ford Motor Co. car plants will be idle until July 27 for vacation.

General Motors' Oshawa, Ontario, plant resumed output today but will close July 27 for a two-week vacation.

CANADIAN CAR	Week Ended July 18, 1987	Week Ended July 19, 1986	Week Ended July 11, 1987	July to Date	Jan. 1 to July 19, 1986	Jan. 1 to July 18, 1987
AMERICAN MOTORS	0	0	110	163	2,382	3,095
FORD MOTOR	5,520	0	0	9,588	289,806	284,261
GENERAL MOTORS	3,247	8,724	7,566	14,358	326,579	158,507
HONDA	400	0	250	848	0	860
VOLVO	225	225	225	558	6,001	5,967
Total Cars, Canada	9,392	8,949	8,151	25,515	624,768	452,490

U.S. TRUCK*	Week Ended July 18, 1987	Week Ended July 19, 1986	Week Ended July 11, 1987	July to Date	Jan. 1 to July 19, 1986	Jan. 1 to July 18, 1987
CHEVROLET	20,479	22,168	21,548	52,333	681,408	852,747
DODGE	2,900	4,026	3,334	9,130	47,972	141,929
FORD	29,733	28,839	0	29,733	783,141	810,250
GMC	7,450	6,695	7,343	18,070	202,208	212,022
NAVISTAR	0	0	0	806	40,127	40,037
JEEP	4,450	2,313	0	4,450	110,589	119,516
NISSAN	1,930	0	0	1,930	67,741	43,596
AM GENERAL*	450	50	450	1,170	1,412	7,110
MISCELLANEOUS*	4,300	2,300	4,300	9,980	63,940	66,100
Total Trucks, U.S.	71,692	66,391	36,975	127,601	1,998,538	2,093,307

CANADIAN TRUCK	Week Ended July 18, 1987	Week Ended July 19, 1986	Week Ended July 11, 1987	July to Date	Jan. 1 to July 19, 1986	Jan. 1 to July 18, 1987
AMERICAN MOTORS	0	912	785	1,161	15,608	18,081
CHRYSLER	4,955	0	5,839	13,947	227,106	239,977
FORD	0	0	0	1,759	91,859	83,579
GENERAL MOTORS	5,920	5,896	5,698	14,283	165,043	123,813
NAVISTAR	0	0	0	110	5,461	5,096
Total Trks., Canada	10,875	6,808	12,322	31,260	505,077	470,548
N. Am. Trucks	82,567	73,199	49,297	158,861	2,503,615	2,563,855

*—Includes window van production. **—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain rows of one or two units due to rounding.

U.S. CAR	Week Ended July 18, 1987	Week Ended July 19, 1986	Week Ended July 11, 1987	July to Date	Jan. 1 to July 19, 1986	Jan. 1 to July 18, 1987
AMERICAN MOTORS	0	0	0	0	30,037	15,994
Renault Total	0	0	0	0	30,037	15,994
Alliance	0	0	0	0	26,690	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	6,950	13,481	16,315	31,375	782,886	621,223
Plymouth Total	150	4,410	3,018	4,713	231,657	184,283
Horizon	0	2,857	0	0	93,735	32,997
Sundance	0	1,049	1,589	2,384	2,908	56,294
Reliant	0	504	459	717	96,853	62,358
Caravelle	50	0	823	1,328	27,823	30,069
Gran Fury	100	0	147	284	10,338	2,565
Chrysler Total	5,300	2,317	8,030	17,013	251,366	210,405
Laser	0	430	0	0	27,309	0
LeBaron K	0	594	0	0	64,278	42,910
LeBaron J	3,600	0	4,012	9,335	0	70,652
LeBaron GTS	0	1,293	789	1,186	40,054	23,809
N. Yorker/E-Class	0	0	1,515	2,423	47,309	46,793
Fifth Avenue	1,700	0	1,714	4,069	72,416	26,241
Dodge Total	1,500	6,754	5,267	9,649	299,863	226,535
Daytona	1,100	832	1,373	3,290	30,875	33,980
Omni	0	3,458	0	0	91,030	28,363
Shadow	0	912	1,628	2,557	2,587	57,629
Aries	0	422	386	613	75,358	59,367
Dodge 600	0	341	809	1,246	46,915	26,922
Lancer	0	789	498	779	32,571	15,008
Diplomat	400	0	573	1,164	20,427	5,266
FORD MOTOR	30,084	38,290	0	30,084	991,146	1,053,096
Ford Division	24,749	26,714	0	24,749	678,844	746,207
Escort	8,724	7,577	0	8,724	211,593	204,880
Mustang	4,562	4,114	0	4,562	112,977	118,310
Tempo	0	4,015	0	0	109,383	99,830
Taurus	7,694	8,091	0	7,694	156,980	232,032
Thunderbird	3,769	2,917	0	3,769	87,911	91,155
L-M Division	5,335	11,576	0	5,335	312,302	306,889
Mercury Total	5,335	8,320	0	5,335	214,773	210,892
Lynx	263	1,342	0	263	35,540	20,917
Capri	0	180	0	0	10,609	0
Topaz	0	1,228	0	0	33,060	32,858
Cougar	2,484	2,650	0	2,484	67,029	82,962
Sable	2,588	2,920	0	2,588	68,535	74,155
Lincoln Total	0	3,256	0	0	97,529	95,997
Continental	0	364	0	0	10,985	9,610
Lincoln	0	2,443	0	0	73,165	72,088
Mark VII	0	449	0	0	13,379	14,299
GENERAL MOTORS	44,726	74,301	50,037	126,386	2,548,356	2,082,277
Buick Total	7,540	16,545	9,482	23,367	456,961	331,697
Skyhawk	0	2,512	186	577	53,159	16,451
Century	3,183	4,751	3,473	8,280	143,343	103,225
Regal	1,442	0	1,161	3,064	36,489	26,681
Somerset/Skylark	0	2,780	0	487	64,919	37,072
LeSabre (fwd)	2,790	4,623	4,565	9,603	81,058	80,693
LeSabre (rwd)	125	350	97	267	8,578	5,529
Electra (fwd)	0	727	0	1,072	54,250	53,545
Riviera	0	802	0	18	15,165	8,501
Cadillac Total	150	5,656	2,028	4,594	194,195	161,917
Cimarron	0	343	0	28	15,443	7,489
Allante	150	0	142	365	0	2,485
Brougham (rwd)	0	0	0	440	49,101	38,116
DeVille (fwd)	0	3,907	1,886	3,636	101,033	90,573
Eldorado	0	684	0	63	15,032	10,534
Seville	0	722	0	63	13,586	12,720
Chevrolet Total	22,778	19,729	22,246	56,618	782,384	732,536
Chevette	0	0	0	0	61,031	0
Camaro	2,005	2,944	1,745	5,621	115,553	63,172
Cavalier	4,104	8,336	4,577	11,071	244,653	204,504
Celebrity	4,664	3,138	4,948	12,308	156,796	192,776
Corsica/Beretta	7,875	0	7,586	18,800	0	164,406
Monte Carlo	1,178	2,180	955	2,629	65,333	40,162
Chevrolet	2,312	3,131	1,787	4,593	123,875	110,417
Corvette	640	0	648	1,596	15,143	17,099
Oldsmobile Total	3,307	21,097	3,768	14,013	631,023	387,791
Firenza	0	333	177	539	23,409	2,019
Calais	0	2,023	0	1,609	70,891	69,547
Cutlass Ciera	0	7,894	0	1,447	162,086	99,968
Cutlass Supreme	1,402	0	1,385	3,740	84,031	42,994
88 (fwd)	1,905	8,031	1,913	5,571	201,049	106,017
88 (rwd)	0	0	0	174	11,749	10,656
Olds 98	0	2,246	293	886	66,484	37,369
Toronado	0	570	0	46	11,324	10,127
Pontiac Total	10,951	11,274	12,513	29,793	483,793	408,336
Acadian*	0	0	0	0	9,864	0
Fiero	0	262	0	0	44,070	20,689
1000	0	0	0	0	11,792	0
Firebird	1,243	1,898	1,116	3,400	71,017	45,513
2000 Sunbird	0	2,085	0	0	85,204	60,295
Grand Am	4,387	3,822	6,581	13,487	130,572	149,797
6000	2,015	2,602	2,061	5,064	89,848	48,705
Bonneville	3,155	0	2,535	7,407	0	77,613
Safari/Parisienne	151	605	220	436	41,426	5,724
HONDA	6,650	4,826	6,497	17,077	105,970	184,168
Civic	2,009	0	2,266	5,565	0	61,604
Accord	4,641	0	4,231	11,512	0	122,564
NISSAN	2,605	0	0	2,605	21,517	72,187
NUMMI	3,750	3,832	3,953	9,651	113,045	108,745
Corolla	750	0	859	2,036	0	22,580
Nova	3,000	0	3,094	7,615	0	86,165
VOLKSWAGEN	0	0	1,967	2,666	50,282	43,129
Golf/GTI	0	0	1,717	2,266	0	34,775
Jetta	0	0	250	400	0	8,354
Total Cars, U.S.	94,765	134,730	78,789	221,844	4,643,239	4,180,819
Total Cars, Canada	9,392	8,949	8,151	25,515	624,768	452,490
N. American Cars	104,157	143,679	86,920	247,359	5,268,007	4,633,309
N. Am. Trucks	82,567	73,199	49,297	158,861	2,503,615	2,563,855
North American Cars and Trucks	186,724	216,878	136,217	406,220	7,771,622	7,197,164

*—All Acadians are built for sale in Canada.
Monthly estimates may contain rows of one or two units due to rounding.

ROUGE

FROM PAGE 1

workers had been given more than two days to consider the pact, it would have been defeated.

Local 600 also represents 9,000 workers at stamping, frame, glass, engine and assembly plants. Those workers are not covered by this pact. Leone said the agreement sets a dangerous pattern not only for the Rouge complex but for all of Ford.

He said that a provision cancelling transfer rights into other parts of the Rouge complex — except for a one-time move — fences off the steel plant from the rest of the complex. He said the arrangement is part of Ford's plan to separate more and more of its businesses as being "non-auto."

A UAW summary of the contract given to workers says it improves pensions and protection against outsourcing. Al Gardner, former chairman of the tool and die unit, said the outsourcing language is that of the Ford master contract, which UAW International leaders have said is not strong enough. Gardner said the pension increase is significant only for those retiring before Jan. 1, 1988.

Though Rouge Steel is still for sale, the new contract specifies that a buyer would have to honor the terms of the agreement.

Steel industry analysts are cautiously optimistic about American steelmakers' stronger showing in recent months. They say that Ford's moves at Rouge Steel may be coming at just the right time to benefit from increased prices, a weaker dollar and a rise in the value of the Korean won.

Bernard Addo, steel analyst at Smith Barney, Harris Upham & Co., said that it is too soon to talk about an industry turnaround. But he said that if Rouge Steel's labor costs could be brought down, "the company would be in a good position to come back."

Addo said that it is difficult to predict whether relaxed work rules and other changes can lower Rouge Steel's current labor cost of $27 an hour, versus an industry average of about $23.

But Addo said that "Ford is doing very well, and since Rouge Steel's fortunes are tied to Ford, it may also do well." Rouge Steel sells about 40 percent of the two million tons of steel it produces annually to Ford, and Ford takes most of the electrogalvanized steel.

Paul Tiffany, assistant professor of management at The Wharton School of the University of Pennsylvania, said, "To compensate for the huge difference in labor rates, U.S. steel makers have to get a tremendous amount of benefit out of capital investments such as a continuous caster."

Armstrong said that the new caster has lowered the cost of producing higher quality steel and thus contributed to profitability. It has also allowed Rouge Steel to provide steel for customers' more intricate and demanding requirements, and thus is helping broaden the market for steel.

Armstrong said Rouge Steel is "very competitive in quality" and that the new labor agreement, with its commitment to further modernization and training, will allow progress toward cost-competitiveness.

Tiffany, author of the forthcoming "The Roots of Decline: Business, Government and Labor in the American Steel Industry," said, "It's surprising that they settled" on a new agreement at Rouge Steel, considering the outsourcing trend in the U.S. auto industry.

7/24/87 C2

Automotive News

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'Get mad,' execs tell business

Greenwald, Mercer chart survival plan

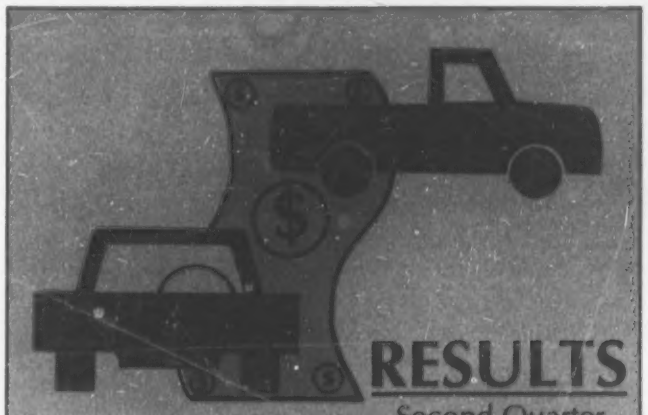
DEARBORN, Mich. — The United States will be doomed to second-class industrial status unless its manufacturers shoulder some of the task of rebuilding the nation's economic base.

That theme emerged last night in the two keynote addresses at the Automotive News World Congress. The 12th annual forum runs through Wednesday at the Hyatt Regency Hotel here.

In remarks prepared for delivery at the opening session, Gerald Greenwald, chairman of Chrysler Motors, and Robert E. Mercer, chairman of Goodyear Tire & Rubber Co., focused on the theme likely to occupy the nation's attention at least through the 1988 presidential election: competitiveness.

"The reason competitiveness is all the rage is obvious," said Greenwald. "Despite the softer dollar, America continues to get its clock cleaned in today's increas-

see CONGRESS, page 70



RESULTS
Second Quarter

(Dollars in Millions)	1987	1986	1987	1986
	Net Income		Sales	
AMC	$30.2	$(52.0)	$1,178.8	$800.8
Chrysler	428.7	488.2	6,412.2	5,701.2
Ford	1,498.2	1,078.4	19,496.1	17,302.5
GM	980.3	1,018.4	26,699.8	27,625.3
TOTAL	2,937.4	2,533.0	53,786.9	51,429.8

Great days for Ford; profits hit peak

Who's Number One in the domestic auto industry? From a money standpoint, it's clearly Ford Motor Co. Ford profits set records for the second quarter and first half of 1987, and the company earned more than General Motors, Chrysler Corp. and American Motors combined. Ford's performance enabled the four domestic automakers to exceed last year's second-quarter profits by 16 percent. Even AMC was in the black for the quarter; its $30 million profit reversed a $52 million loss in the 1986 period. **Story on Page 66.**

New GM pickups gaining ground after slow start

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — After a sluggish start, dealers are beginning to see a surge in the sales of General Motors' C/K pickups — the products of a $2.6 billion investment, billed as the country's first all-new truck in a quarter-century.

Chevrolet dealers retailed 13,326 C/K models in June, up from 9,307 in May. They retailed about 8,000 through mid-July, putting Chevrolet on a 16,000- to 18,000-unit course for the month.

GMC dealers retailed 4,051 Sierras in June, up from 2,645 in May. Sierra is GMC's name for the C/K line. Together, the two divisions retailed 42,785 C/Ks through June 30.

Dealers attribute the C/K's slow start to radical styling, shortages in some body styles and the sales-incentive emphasis GM has put on older-style R/V pickups in order to clear them out. Production of the R/V line, with the exception of a Crew Cab model and a special chassis cab, ends July 30. The R/V Crew Cabs and chassis cab will be continued indefinitely, according to a Chevrolet spokesman.

John M. Kelley, Chevrolet marketing manager — trucks, generally concurred with dealers' viewpoints and said specific product shortages are beginning to be cleared up.

Dealers, for example, have been unable to get dual-rear-wheel extended-cab models. They finally went into production a week ago. Similarly, short-box (six-foot pickup bed) models have been unavailable. They went into production July 13, and should reach full acceleration by the end of August, Kelley said.

Chevrolet has a backlog of 25,000 wholesale orders for short-box models. They normally account for 20 percent of its overall full-sized pickup sales.

Chevrolet also anticipates that it will sell twice as many of its more stylish new Sportside models as it did before. The new Sportsides will be available this fall. They previously accounted for about 4 percent of Chevrolet's short-box sales mix, and the division expects that to rise to 8 percent next year.

Kelley said that Chevrolet still anticipates selling 480,000 full-

see PICKUPS, page 65

Coming from Japan's new-model arsenal: Future Nissan Z842, left, with newly developed V-8 engine, and flagship Honda Acura V-8 sedan, right MYSTERY MEET PHOTOS

Japanese speed new products to U.S.

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

New technology and faster product development are the cutting-edge technologies Japanese automakers hope will help them muscle past U.S. and European competitors into profitable upscale segments of the U.S. automotive market.

Japanese automakers are spending heavily on new technology — reducing new design lead time to two years or less and shrinking product life cycles to as little as three years for vehicles and seven years for engines.

The result is a competitive advantage that could allow the Japanese to bring sophisticated new products to market faster

move into previously uncontested new segments during the next five years.

A strong yen that makes Japanese products re in the United States intensifies the e automakers' desire to leapfrog U.S. competitors and use domestics as a buffer against the South Koreans and other manufacturers from low-wage countries.

"The Japanese are leaping as fast as they can," said George Peterson, president of the AutoPacific Group, Newport Beach, Calif. Peterson charts product planning of major auto manufacturers and publishes a quarterly, "The Competitive Battleground."

Product life cycles are six years at General Motors and five years at Ford Motor Co. But Toyota Motor Co., Nissan Motor Co. and smaller Japanese manufacturers are on a four- to five-year cycle and Honda is currently under four years, Peterson said.

U.S. manufacturers are still using engines

see NEW PRODUCTS, page 28

INFINITI

Nissan screening luxury-line dealers

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Nissan Motor Corp. in U.S.A. will not start selling its new Infiniti Division upscale cars until the 1990 model year, but it intends to select the initial 60-70 dealers by the end of this year.

Nissan's existing 1,108 dealers will have first crack at winning one of the new franchises, said William R. Bruce, head of Infiniti, at a press conference Wednesday. The anticipated new line will compete with European and domestic luxury cars, Honda's Acura models and Toyota's anticipated second-channel offerings.

"We expect to have the dealer selection process completed by the end of the year," Bruce said. Nissan will require each new dealer to build a completely separate multi-million-dollar sales, service and parts facility.

The first points will be in major markets on each coast and in the

see INFINITI, page 65

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Reuter, Werner get Daimler-Benz jobs Page 2

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Columbus labor pact held up as industry model

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

A local contract negotiated at General Motors' Fisher Guide Division in Columbus, Ohio, is being held up as a model for making products more competitive and keeping them from being outsourced.

Outsourcing, which threatens the existence of the automakers' component plants, is a key issue in the contract talks that begin today between the UAW and the Big 2.

A top GM official told Automotive News in February, when the pact was signed, "We had a great thing happen at the Fisher Guide plant in Columbus." He said recently that the contract pointed the way to making component plants more competitive without a two-tier wage system.

Don Deibel, president of UAW Local 969, which represents workers at the Columbus plant, said that 770 jobs have been saved as a result of the new contract, and that 300 to 400 jobs "will be saved on the tail of those."

The new contract in Columbus includes a less drastic cut in job classifications — from about 90 to 50 — than other recent industry agreements, which slashed the number of classifications to five or less.

It also includes a new layoff and recall procedure, flexibility to assign workers on downtime to other jobs, a new method of establishing production standards and a new way of paying workers.

They receive a piecework wage rather than an hourly wage, as they did under the former agreement, but they can earn up to 50 percent more pay for surpassing the production standard, Deibel said.

That standard is set by a new "hardware standard data system," which uses a computer to time jobs, he said. Data such as the weight of a part and the distance a worker has to move to load it into a machine are fed into the computer.

"We listen to workers when they tell us a job can be done more efficiently," Deibel added.

GM has said that about 10 percent of its components are being made in-house at a cost higher than they could be purchased. Industry officials have said that a two-tier wage system, with a lower wage for component plants, is one way to cut the cost of making components in-house.

UAW officials agree that the contract in Columbus was successful in cutting the costs of some products and — more important — it has established a problem-solving mode that is resulting in plantwide efficiency.

Deibel said the plant's insourcing committee is becoming more active and has found ways to bring back work that had been outsourced.

"We've come a long way, but we're not out of the woods yet," he said.

A Fisher Guide spokesman said the new contract allowed the plant to win some molding business from the division's Fort Street (Detroit) plant, which is scheduled to close by 1989. The Columbus plant also retained some anchor bolts and door locks that customers were thinking of sourcing elsewhere, he said.

He added, "This secures business for the immediate future and gives us breathing room to address the future."

The Fisher Guide spokesman said, "The single most important outcome of the new agreement and the key to the success of the plant is the spirit of the people making the agreement. (They have agreed) to solve plant problems as they develop."

The division has organized itself into business units, which are divided into product teams such as a door-locks team, the spokesman said. The teams "involve production workers in other aspects of the business," he said, including visiting customers' plants.

Though other Fisher Guide plants have implemented the business unit and product team concepts, "Columbus was the first one to pick up on it," he said.

Detroit dealers win: Saturday closing legal

By Helen Kahn and Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTERS

Charges that Detroit-area auto dealers and their trade associations violated antitrust laws by conspiring to limit hours of operation have been dismissed by a Federal Trade Commission administrative law judge.

Judge James P. Timony dismissed the charges on the grounds that the dealers' agreement to limit hours was in response to a labor dispute, and thus was exempt from antitrust laws.

Reaction from the Detroit Automobile Dealers Association was obviously joyful, but was restrained and low-key.

"We feel very good about the decision," said David Fischer, president of the dealer association.

Fischer, an Oldsmobile and Nissan dealer, told a press conference the dealers and the association had been vindicated.

"We have violated no state or federal law," Fischer said. "This was exclusively a labor issue and was decided as a labor issue."

Fischer said dealer and association costs for fighting the FTC action could total as much as $3 million. "I'd like to know how much the government spent," he said.

Glenn A. Mitchell, of Stein, Mitchell and Mezines, the Washington law firm retained by the Detroit dealer association, said, "The issue is whether the closings resulted from a labor dispute, not whether they were included in written collective bargaining agreements. And given the history of the closings, there is no other conclusion he (Timony) could have reached."

Mitchell added, "This is a rare decision in that everyone wins. The dealers' labor policies were vindicated, but the salesmen won what they had been fighting for all these years — shorter work weeks without having to join a union. And the consumers get the benefits of competition."

"We have violated no state or federal law. This was exclusively a labor issue and was decided as a labor issue."

— FISCHER

The case arose in December 1984 when the FTC charged the Detroit Auto Dealers Association, 105 dealerships, 115 individuals and 18 other associations with illegally conspiring to close all day on Saturdays and to limit evening hours to Mondays and Thursdays.

see DEALERS, page 70

Plymouth network wins Diamond-Star distribution

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The sport-specialty coupe to be built by Diamond-Star Motors and introduced in the 1989 model year will be sold through the Plymouth dealer network.

Sources said the new model will not be available in Dodge showrooms because it would be positioned too closely to the Dodge Daytona.

The move is also a part of Chrysler Motors' continuing brand-name identification program. In 1986, the company began a brand repositioning designed to make each product line more distinctive.

As part of that philosophy, some models became franchise exclusives such as the Dodge Daytona and Chrysler LeBaron Coupe.

The Diamond-Star model is a front-wheel-drive, two-door hatchback, sport-specialty model that Chrysler Corp. treasurer Fred Zuckerman has described as "the working girl's Ferrari."

Sources said the model is not expected to be introduced until the middle of the 1989 model year.

A four-door sedan is the next model scheduled in the line.

The models are being produced as a joint venture of Chrysler Motors and Mitsubishi Motors Corp.

The Diamond-Star plant, now under construction in Bloomington-Normal, Ill., will have a capacity of 240,000 units annually when the second shift starts in October 1989. The two-million-square-foot facility is to be completed in January 1988 with the first cars produced later in 1988.

Chrysler and Mitsubishi Motor Sales of America will each receive 50 percent of the production volume.

Market value of Ford stock tops GM's

DEARBORN, Mich. — Ford Motor Co.'s successes have been recognized on Wall Street — in a big way.

For the first time since Ford went public in 1956, the market value of Ford's common stock has surpassed that of GM's common stock.

It occurred for the first time on July 14 when, based on that day's closing stock prices, Ford's market value was $27.3 billion; GM, based on the price of its common stock only, was worth $26.9 billion. With GM's other classes of stocks its market value that day was $32.4 billion.

Ford outearned GM in 1986 for the first time since the early 1920s and has continued to do so in 1987. Analysts predict that Ford will continue to outearn GM for the next two years.

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Starcraft sold to management-led group

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

A management-led investor group has purchased recreational-vehicle maker Starcraft Corp. and its affiliated companies from Lear Siegler.

Dominic D. "Don" Cuzzocrea, longtime Starcraft president and now its chairman and chief executive officer, outlined some aggressive expansion plans following the July 21 purchase.

Starcraft management and outside investors acquired all Starcraft-branded product lines, all Starcraft manufacturing facilities in North America, Lear Siegler Financial Corp. (which will be renamed) and Bangor Punta Transportation, a captive trucking fleet operation.

Cuzzocrea declined to disclose the purchase price, but he said it reflected record sales and earnings for the company's 1987 fiscal year, which ended June 30.

Cuzzocrea said Starcraft's sales for fiscal 1987 were $154.2 million, a "double-digit" increase over the previous year.

Starcraft has 1,817 employees at six U.S. and Canadian facilities. Its headquarters will continue to be in Topeka, Ind.

Cuzzocrea said his management group has "control of the corporation," but wouldn't divulge its share of ownership.

Besides Cuzzocrea, company officials with significant equity in Starcraft include Joseph L. Schulte Jr., executive vice president; Robert N. Fidler, senior vice president and general manager — marine; Cecil J. Bontreger, senior vice president and general manager — automotive; and Leslie A. Hampton, senior vice president and general manager — RV.

Outside equity investors include Duncan, Cook & Co., Houston; Greylock Management Corp., Boston; Southwest Venture Partners, San Antonio, Texas; Salomon Brothers, New York; and Equus Investments, Houston.

The management-led investor group acquired all of Starcraft Corp.'s stock in the buyout.

Starcraft is considered the RV industry's largest van customizer, with "close to 11,000" conversions eyed for 1987, Cuzzocrea said.

That business accounts for 40 percent of its sales. The two other major segments of its business are RVs — such as travel trailers and Fifth Wheels — and pleasure boats. Each accounts for about 30 percent of sales.

Cuzzocrea said future plans include re-entering the Class C motor home market within about a year and, subsequently, the Class A motor home market.

The company also plans to branch out into car customizing. It is currently working on a new bed cap for pickup trucks.

That is a new product area for Starcraft. It has a marketing agreement with GMC to sell the caps. The companies haven't decided whether the product will be offered as a factory-installed or aftermarket-installed option.

June truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	77,133						77,133	50,064
	YR	353,720						353,720	286,166
JEEP	MO	20,338						20,338	16,219
	YR	101,524						101,524	92,997
TOYOTA	MO	25,172						25,172	24,659
	YR	154,760						154,760	179,555
NISSAN	MO	23,029						23,029	16,729
	YR	115,493						115,493	110,025
MAZDA	MO	11,184						11,184	14,962
	YR	60,523						60,523	74,592
ISUZU	MO	7,115						7,115	7,192
	YR	45,606						45,606	41,735
MITSUBISHI	MO	5,109						5,109	2,008
	YR	25,488						25,488	16,198
SUZUKI	MO	8,320						8,320	3,926
	YR	45,262						45,262	20,549
SUBARU	MO	62						62	251
	YR	997						997	1,512
RANGE ROVER	MO	253						253	0
	YR	722						722	0
FORD	MO	135,027			793	2,856	1,313	139,989	124,880
	YR	709,930			5,059	15,089	6,185	736,263	678,849
FREIGHTLINER	MO						2,127	2,127	1,712
	YR						10,902	10,902	8,873
CHEVROLET	MO	113,525		12	502	434	8	114,481	118,988
	YR	578,417		97	3,680	3,576	178	585,948	644,448
GMC	MO	30,268		476	954	1,330	534	33,562	32,177
	YR	152,437		3,149	3,765	12,538	4,512	176,401	176,936
KENWORTH	MO					9	1,190	1,199	910
	YR					44	6,603	6,647	4,829
MACK	MO				222	249	2,004	2,475	2,207
	YR				1,357	1,572	9,366	12,295	11,205
MERCEDES	MO				83	230		313	342
	YR				743	1,179		1,922	1,849
NAVISTAR	MO		10	34	756	3,155	2,613	6,568	6,116
	YR		41	176	4,820	15,573	14,429	35,039	33,846
PETERBILT	MO					3	1,167	1,170	746
	YR					27	5,207	5,234	4,542
VOLVO	MO					137	875	1,012	1,017
	YR					806	5,292	6,098	6,063
HINO	MO			54	45	92		191	0
	YR			241	247	485		973	0
NISSAN DIESEL	MO			73	33	105		211	0
	YR			229	152	401		782	0
ISUZU TRUCK	MO	639		25	49			713	360
	YR	2,519		74	134			2,727	2,519
MITSUBISHI FUSO	MO	111			17	29		157	0
	YR	283			74	157		514	0
SCANIA	MO						9	9	0
	YR						72	72	0
IVECO TRUCKS	MO	105	68	115	14			302	9
	YR	652	318	383	59			1,392	0
WESTERN STAR	MO						131	131	0
	YR						676	676	0
OTHER DOMESTICS	MO				19		102	121	102
	YR				68		543	611	626
GRAND TOTAL	MO	457,390	78	789	3,487	8,829	12,073	482,446	425,567
	YR	2,348,333	359	4,329	20,158	61,447	63,965	2,488,591	2,397,914
1986 YR to DATE		2,286,636	0	2,281	20,994	61,108	56,995		

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by the Motor Vehicle Manufacturers Association.

Truck sales rise 13% for June, 3% for half

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Total U.S. truck sales, including light, medium and heavy-duty models, were up 13.37 percent in June and 3.78 percent for the first six months of calendar 1987.

Truck manufacturers retailed 482,446 new trucks in June, up from 425,567 during the same period in 1986. They sold 2,488,591 during the first six months of the year, up from 2,397,914 in the same period last year, according to figures reported by individual companies and the Motor Vehicle Manufacturers Association.

Light-duty Class 1-3 sales of 457,390 in June were up 14.10 percent from 400,860 last year.

Class 4 sales, still marginal, totaled 78 in June compared with zero a year ago.

Class 5 sales of 789 were up from 730 last year.

Class 6 sales of 3,487 were off from 3,845 a year ago.

In the heavy-truck segment, Class 7 sales of 8,629 in June were off from 9,207 last year, while Class 8 deliveries of 12,073 were up from 10,565 a year ago.

Medium- and heavy-truck manufacturers, by and large, continued to enjoy exceptionally strong sales in June and for the first six months of the year.

For example, Peterbilt's June sales of 1,170 units were up 56.8 percent while its six-month total of 5,234 was up 15.2 percent.

Similarly, Kenworth's June sales of 1,199 were up 31.8 percent, while its six-month total of 6,647 units was up 37.6 percent from a year ago.

Freightliner's tally of 2,127 trucks in June was up 24.2 percent, while its six-month sales of 10,902 were up 22.9 percent.

Navistar's June sales of 6,568 units were up a more modest 7.4 percent, while its six-month total of 35,039 trucks was up 3.5 percent from a year ago.

Mack chalked up 2,475 sales in June, 12.1 percent more than last year. Its six-month total of 12,295 was up 9.7 percent from a year ago.

Japanese imports, such as Isuzu, Nissan Diesel and Hino, continue to come on strong in the medium-duty segments.

Hino, with 973 sales for six months, should easily exceed 2,000 for 1987, the first year it has reported sales.

Similarly, Nissan Diesel, with 211 in June and 782 for the first six months of the year, also has a good chance of topping 2,000 this year, the first year it has reported sales.

And Isuzu, with 713 sales last month, sold nearly twice as many trucks as in June 1986.

With 2,727 retail deliveries for the first six months, Isuzu is on track to sell well over 5,000 trucks in calendar 1987.

Mack's new data system speeds ordering procedure

ALLENTOWN, Pa. — Mack Trucks is phasing in a new electronic information system to increase the speed and accuracy of new-order placements, track new and used-truck inventories and facilitate settlement of warranty claims.

The new information system, currently being used by all 19 Mack branches in the United States, links the branches with Mack's headquarters, manufacturing and parts operations. Many of Mack's 240 dealers are expected to be on line with the new system by the end of this year.

It is part of a $60 million MRP II companywide integrated database system expected to be totally in place by 1991.

Robert Reimer, order and distribution manager, said each Mack branch now can make a faster, electronic transmittal of new truck orders. Equally important, Mack can catch and correct any errors in orders immediately.

If, for example, incorrect components or invalid numbers appear on the order, the company can go back instantly to the branch via computer and get the proper information. That alone cuts about seven working days off the ordering process compared to when Mack had to kick orders back manually, Reimer said.

Another advantage of the new information system will be computerized price books for salespeople. They will replace 400-page books that are sent periodically to Mack's branches.

The computer-based price books will not only be easier to read and more accurate, but will be able to store quotes so that orders can be placed as quoted or with alterations to fit new customer needs.

Reimer said he expected the electronic price books to be in test within a year.

REVISED LIGHT-DUTY TRUCK SALES

	June 1987	June 1986	6 Mos. 1987	6 Mos. 1986
Toyota	25,172	24,659	154,760	179,555
Nissan	23,029	16,729	115,493	110,025
Mazda	11,184	14,962	60,523	74,592
Isuzu	7,115	7,192	45,606	41,735
Mitsubishi	5,109	2,008	25,488	16,198
Suzuki	8,320	3,926	45,262	20,549
Subaru	62	251	997	1,512
Range Rover	253	0	722	0
Imports	89,244	69,727	448,861	444,166
Industry Total	466,539	400,860	2,344,979	2,284,117

Compiled by Karen Dybowski

Note: Revised figures from the September issue, which first appeared in Automotive News on July 13.

JAPAN'S AMERICAN FUTURE

Strong yen means global game with U.S. as prize

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

The strong yen that has riddled short-term profits could be a long-term blessing for Japanese automakers. It is forcing them to become global players.

"The 60 percent appreciation of the yen since late 1985 may be as beneficial to the Japanese in the long run as the Voluntary Restraint Agreement has been by forcing them to do things culturally they couldn't do before," said John Hammond, managing director of J.D. Power and Associates, Westlake Village, Calif.

"It forces them to become global players in a global market, rather than simply exporters tied to manufacturing in their home market. They'll be much more dangerous competitors than they have been."

When the Japanese focus on the global market, they are looking primarily at the United States. Toyota, Honda and Nissan — Japan's Big 3 in this country — are talking about one million car and truck sales apiece within the next few years. About 2.4 million of those vehicles would be cars.

There may not be room for that many cars — from just three Japanese makers — in a U.S. market averaging around 10 million cars. Besides, six other Japanese makers want a piece of the U.S. pie, along with Europeans, Third World makers and, of course, U.S. manufacturers.

There may be a shakeout coming, and every one of the players is determined that it will affect "the other guy."

The rapid rise of the yen against the dollar and key European currencies is not the only problem Japan's nine automakers face. Increased U.S., European and Third World competition; political pressures that are closing export markets; and social and economic changes inside Japan have created a volatile business climate.

JAPANESE NEW-CAR SALES IN THE U.S.

	Honda	Isuzu	Mazda	Mitsubishi	Nissan	Subaru	Toyota
1986	405,399	38,910	222,716	49,436	493,549	183,242	640,155
1985	406,413	26,953	211,093	49,734	535,372	178,175	620,047
1984	374,819	17,233	169,666	39,104	485,298	157,385	557,981
1983	350,670	20,731	173,388	32,755	521,902	156,840	555,766
1982	365,865	15,462	163,150	3,950	470,246	150,335	530,248
1981	370,705	17,805	166,105	—	464,805	152,062	576,491
1980	275,388	—	161,623	—	516,890	142,968	582,204
1979	353,291	—	156,533	—	472,252	127,871	507,816
1978	274,876	—	75,309	—	388,096	103,274	441,800
1977	223,633	—	50,609	—	388,378	80,826	493,048
1976	150,929	—	35,383	—	270,103	48,928	346,920

But it was the suddenness of the yen's rise that forced wholesale changes in long-range plans for virtually all automakers. It has led to heavy cost-cutting programs.

North American production is regarded as essential to reducing costs if the dollar weakens further against the yen. It also is seen as a way of reducing pressure for U.S. protectionist legislation and as a way of getting around growth-curbing restrictions on car exports to the United States.

The biggest variable in each company's strategic plan is the currency exchange rate. "It all depends on where the yen goes," said George Peterson, president of the AutoPacific Group, a Newport Beach, Calif., consulting firm.

The United States is still the source of most profits for the world auto industry. Its importance is emphasized by the case of Toyota, which was still profitable in Japan last year, but saw its profits fall by two-thirds when U.S. profits were cut to marginal levels, according to Tsutomu Ohshima, executive vice president for external affairs.

After falling below 140 yen to the dollar this spring, the exchange rate last week was around 153 yen. A year ago, the dollar was worth 160 yen; two years ago, it was worth about 240.

But the yen's appreciation is not over yet, according to Ron Glantz, automotive analyst for Montgomery Securities, San Francisco. Glantz, former head of the Japan desk in the U.S. Treasury Department's Office of International Finance, predicts a rate of 115 yen to the dollar "by this time next year."

"With the yen at 150, there is no hope that the U.S. trade deficit with Japan will fall below last year's level, which was politically unacceptable," he said. "With high trade deficits, the pressure on the yen will increase."

And with that, the first signs of global manufacturing are cropping up as Japanese automakers for the first time face labor rates that are high enough to force them to look to low-wage countries, even if it means higher unemployment in Japan.

Toyota is encouraging 20 of its biggest suppliers to locate new plants in Taiwan to reduce costs. Honda is exporting 3,000 Accords a year to Taiwan from Marysville, Ohio, and may some day export cars from Ohio to Japan.

Mitsubishi Motors is marketing 30,000 Precis cars built by Hyundai of South Korea as entry-level cars in the United States. American Isuzu Motors Inc. is selling in the United States Trooper II sport-utility vehicles built in Japan and Taiwan.

"Practically all the Japanese are using Mexico for parts and components and a number are turning to Thailand," Glantz said. "The Japanese are moving much faster than U.S. manufacturers on outsourcing in Asia.

Glantz predicted that by the early 1990s, vehicles sold by Japanese-make dealers will capture 34 percent of the U.S. passenger-car market and 20 percent of the U.S. light-truck market, compared with 23.67 percent of the car market and 21.0 percent of the truck market for the first six months of 1987.

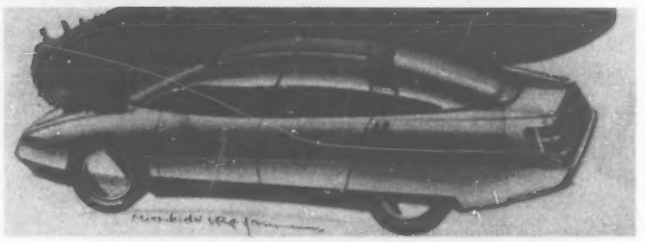
Most of the projected growth is based on Japanese plans to expand product offerings into new segments.

The nine Japanese automakers active in the United States can be divided into three groups. The Big 3 consist of Toyota, Honda and Nissan. The Middle 3 are Mazda, Subaru and Mitsubishi, and the Little 3 are Isuzu, Suzuki and Daihatsu.

Each Japanese automaker is developing broader product lines. Toyota, Honda, Nissan, Mitsubishi and Mazda have large cars

see JAPAN, page 30

MYSTERY MEET PHOTOS



Here are some of the Japanese concept cars that are being prepared for this fall's auto shows. Toyota's FXG, above, has a mid-mounted V-8 and 4wd. It may appear at Frankfurt in September. Proposed Mitsubishi, upper right, with 4wd, 4ws, all-independent suspension and 3-liter V-8, could appear at Tokyo. Daihatsu's concept car, lower right, is also expected at the Tokyo show, which opens Oct. 29.

NEW PRODUCTS

FROM PAGE 1

with basic designs 25 years old, while Japanese automakers are retiring engine families introduced in the late 1970s. Toyota is working on a seven-year life cycle for engines and has multi-valve engines available on six of the seven car lines it sells in the United States. No U.S. automaker currently sells a multi-valve engine, one factor that led manufacturing consultant James Harbour to say flatly, "The domestics don't have a single competitive engine on the road."

That may change this fall when Oldsmobile introduces the Quad Four 16-valve. Chrysler may have a Lotus-developed 16-valve four-cylinder engine for limited applications for the 1989 model year.

However, by then, Honda, Toyota and Nissan expect to have their own lightweight V-8s in new flagship cars.

But lightweight, efficient and powerful engines are not the only Japanese effort in applying technology. Japanese manufacturers are rushing into widespread use of four-wheel steering, anti-lock braking systems, constantly variable transmissions and "friendly interiors" that remember each family member's preference on seat and tilt-steering wheel position, rear and side mirror adjustment and favorite radio station.

The underlying Japanese idea is to take the premium market position against U.S. and European competition across-the-board in terms of features and value while working on bolstering brand image and Japanese prestige, said John Hammond, managing partner of J.D. Power and Associates, Westlake Village, Calif., which publishes the quarterly "Power Report" — a compilation of future product plans of world automotive producers. The Power Report is sold only to manufacturers.

Using a variety of sources, Automotive News has compiled a comprehensive look at the future of Japanese auto marketing in the United States. Some of the information has been confirmed — usually in general terms, rarely in specific detail — by executives of individual automakers. Several companies declined comment.

American Honda has two all-new models for 1988, Civic and Prelude. Each has its own family of all-new multi-valve engines and other technical goodies. Both continue to move upscale.

But the big surprise comes next April or May, when an Accord Sports Coupe arrives. The two-door car carries upper works that look very much like the new Prelude. It could be marketed as either a baby Acura Legend or fill the void caused by pricing-up the Prelude.

The replacement schedule of the current Accord, all-new for 1986, is uncertain.

Honda has development programs for a front-wheel-drive passenger wagon or tall car and a minicar positioned below the Civic, but neither apparently has received corporate commitment.

On the Acura side, the Legend sedan gets a larger 2.7-liter V-6 this fall and some minor detailing changes.

For 1989, Acura will introduce its flagship, a fwd, four-door sedan of about 207 inches overall length, powered by a 32-valve V-8 of about 3.6 liters. Either in the late spring or fall of 1989, a mid-engined sports car — likely powered by a V-8 — will debut, carrying ABS, 4ws and full-time four-wheel-drive.

Acura's base-model Integra will be replaced by a vehicle currently under joint development by Honda and England's Rover Group, perhaps by 1989.

Toyota Motor Sales U.S.A. will have a new generation of fwd Corollas for 1988, with the exception of the FX and FX16 built by New

see NEW PRODUCTS, page 30

JAPAN'S AMERICAN FUTURE

JAPAN

FROM PAGE 28

on the way, powered by new-generation V-6 or V-8 engines. Specialty cars and trucks, minivans, sport-utility vehicles and low-volume niche vehicles also are being developed.

Big 3 take steps to enhance U.S. role

Japan's Big 3 are taking divergent paths into the 1990s that will sharpen the distinctions among them in the U.S. automotive market.

But each plans to sell at least one million vehicles a year here by the early 1990s.

"Toyota and Honda are in the best shape of all the Japanese to emerge from the intensified competition on top," said Peterson.

He said strong dealer networks, efficient manufacturing and cost controls, clear visions of where they are headed and strong product lineups are prime assets for both.

Hammond agreed that Toyota and Honda have the strongest positions, but for slightly different reasons.

"Toyota is the best balanced of all the Japanese — like Ford Motor Co. is among the domestics," he said. "It just does so many things right. Toyota has the deepest pockets; its products are good; and it has lots of experience in tough U.S. markets, such as small pickups.

"Honda is the darling of the group right now, but that's partly because of superior product," Hammond added. Honda's aura could be tarnished quickly if it fails to keep its edge in innovative new products, he suggested.

Assessments of Nissan by most industry analysts are less positive, but no one predicted a prolonged slump or any danger of its falling from the top three importers.

Broad portions of the 1990s' business plan of each parent company and its U.S. operations are remarkably similar:

• Reduce costs.

Toyota was the first to formalize its cost-cutting program. It did so last fall in response to the yen's sharp appreciation. Toyota executives challenged each division and department to find ways to reduce costs by as much as 50 percent.

Honda followed last winter with a comprehensive cost-reduction program designed to keep the company and its subsidiaries profitable even if the exchange rate dropped to 120 yen to the dollar.

Nissan has been less public with its program, but its U.S. operation has reduced employment by attrition and is asking managers to justify each individual new hire, although there is no formal hiring freeze, said C.P. "Chuck" King, senior vice president — marketing and sales.

• Increase U.S. production.

Honda has a clear lead, with two North American assembly plants and a U.S. engine plant already in operation. Expansion already announced will push U.S. and Canadian capacity to 440,000 cars and 360,000 engines by 1989. A decision on Canadian expansion or a second U.S. assembly site is due by December.

Nissan recently increased capacity of its Smyrna, Tenn., assembly plant to 265,000 from 240,000 annually.

Toyota was the last of the Big 3 to commit to U.S. production, but started obtaining cars last winter from New United Motor Manufacturing Inc., its joint venture with General Motors in Fremont, Calif. NUMMI is building 50,000 cars a year for Toyota. Toyota's Georgetown, Ky., assembly plant is scheduled to begin production in 1988.

• Expand or launch upscale divisions.

Again, Honda was first — with its separate Acura franchise.

Nissan has just announced a similar upscale division with separate franchises, and Toyota is expected to do so shortly. Operations will begin with the arrival of the bigger and more luxurious models.

• Broaden product lines.

By 1990, each company will offer new lines of cars larger than current full-sized Buicks and Cadillacs and powered by new-generation V-8 engines to tap maturing baby-boomer families. U.S. production will allow all three to offer more specialty cars to fill low-volume niches.

JAPAN'S NORTH AMERICAN TRANSPLANTS

Owner	Location	Models produced	Marketer	Capacity	Startup date
Honda	Marysville, Ohio	Accord, Civic sedans	Honda	320,000*	Nov. '82
Nissan	Smyrna, Tenn.	pickup, Sentra	Nissan	265,000	June '83
Toyota, GM	Fremont, Calif.	Chevy Nova, Toyota FX, FX16	Chevrolet, Toyota	250,000	Dec. '84
Honda	Anna, Ohio	engines	Honda	90,000*	Sept. '86
Honda	Alliston, Ontario	Accord 4-door	Honda	80,000	Nov. '86
Mazda	Flat Rock, Mich.	Mazda 626, Mustang	Mazda, Ford	240,000	Sept. '87
Toyota	Georgetown, Ky.	Camry	Toyota	200,000	Spring '88
Toyota	Cambridge, Ontario	Corolla	Toyota	50,000	Late '88
Mitsubishi, Chrysler	Bloomington, Ill.	sports coupe	Mitsubishi, Chrysler	240,000	Late '88
Suzuki, GM	Ingersoll, Ontario	Tracker 4x4, new Sprint	Suzuki, GM	200,000	April '89
Fuji, Isuzu	Lafayette, Ind.	Subaru cars, wagons, Isuzu trucks, Trooper	Subaru, Isuzu	240,000	Nov. '89

*Capacity of 360,000 in 1995 (cars) and 1900 (engines).

TOYOTA

Industry analysts expect Toyota Motor Sales U.S.A. to retain its overall car and truck sales title among U.S. importers into the 1990s. But the size of the lead will erode because of Honda's earlier and heavier commitment to U.S. production.

Toyota reached the one-million-unit plateau in 1986, but it has lost the passenger-car sales lead to Honda largely because Honda has more U.S. production available.

Toyota's Georgetown, Ky., and Cambridge, Ontario, assembly plants are scheduled to open in 1988 with an eventual capacity of 250,000 cars, but Honda will have at least 440,000 units available from its U.S. and Canadian plants.

Yet analysts are reluctant to call Toyota's delay in setting up U.S. production a mistake. "In hindsight, it's easy to say Toyota was overly cautious, but I'm reluctant to do so without knowing all the factors it looked at," said one analyst.

"Toyota does so many things right on bal-

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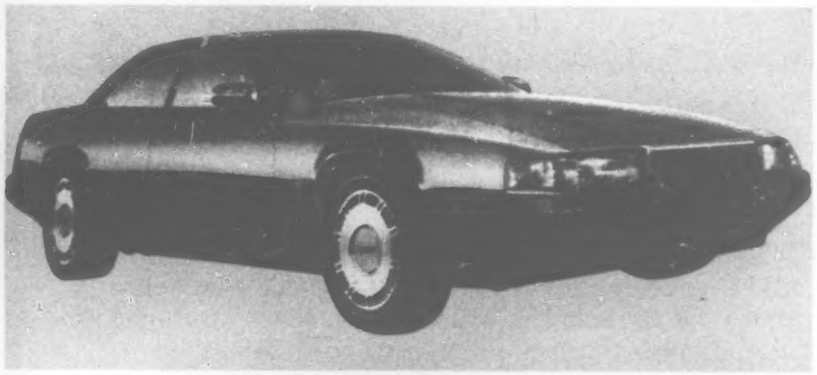
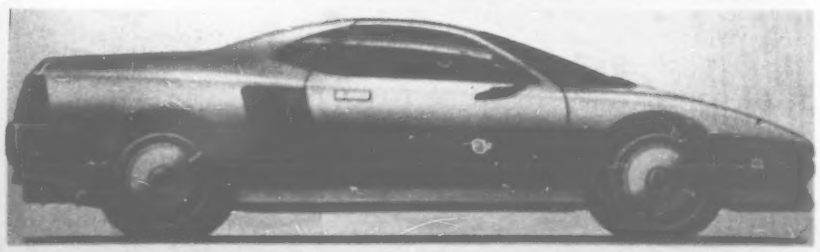


MYSTERY MEET PHOTOS

Future Nissan super sedan, above, has V-8 and five-speed automatic gearbox. Sketch of Zagato's version of Nissan Mid-4, right. It will be built by Autech. Below, design proposal for Honda's mid-engined V-8 Acura.



NEW PRODUCTS

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United Motor Manufacturing Inc. NUMMI will retool the FX for the 1989 model year.

Tercel gets a new wagon later in the 1988 model year, with a Corolla wagon due about the same time.

The 1989 model year brings a host of changes. The Camry is all new and production of the replacement model will start at Georgetown, Ky. An all-new, larger Cressida is expected for 1989. It will grow longer and wider, but not as much as some of the smaller competitors in its class. The MR2 will be reskinned for 1989.

A redesigned pickup truck and 4Runner sports utility vehicle derived from the pickup are due in 1989. The truck is likely to be closer to the Dodge Dakota to better tap the commercial-use market. At least two sources suggest it is a precursor to the 1990s and a much-larger Toyota pickup that would compete with full-size domestics.

Toyota's upscale separate franchise, which Toyota has not yet confirmed, is expected to start the 1989 model year with at least two cars. One will be a next-generation Soarer, a two-door model currently sold in Japan. Another is likely to be a Camry derivative built in Kentucky and widened and powered by a V-6.

The third model, a flagship sedan with Toyota's first V-8, is scheduled for 1989. But one source believes it will not be ready and could be delayed until 1990 to avoid a mid-year introduction just months after launching a new franchise.

The Toyota Supra is scheduled for a makeover in 1990 and may get a V-8.

Nissan enters the 1988 model year with virtually no changes from 1987, which saw it re-do every line except Maxima.

Maxima will grow longer and wider and move upscale when it is redesigned for 1989. It could get Nissan's new V-8 due in 1989.

The 300-ZX also will be re-done for 1989. Minor facelifts are due in 1989 for Stanza, Pulsar NX and 200-SX, with major changes to follow in 1991.

Nissan has the option of bringing in its Micra, a 1.2-liter minicar, if conditions require. If it appears in the United States it likely would be manufactured by Yue Loong, Nissan's Taiwan affiliate.

The Mid-4, Nissan's stunning 1985 concept car, has been delayed so long that it is no longer certain if it ever will arrive in the United States. A styling update by Italy's Zagato has freshened the mid-engined two-seater, but if it makes it here, it likely won't be until 1990 or 1991.

News of Nissan's preparations for a second distribution channel began to circulate in late June. It came after Automotive News first revealed that rival Toyota was working on a similar scheme. Neither company would at the time confirm its program, but Nissan broke its second channel silence last Wednesday. Toyota is expected to make a similar announcement later this year.

Mazda kicks off a massive expansion of its product line in 1988 with an all-new version of the 626 and the 929. The four-door 929, a federalized version of the Luce introduced in Japan a year ago, has a 3.0-liter V-6, rear-wheel-drive and independent rear suspension on a 107-inch wheelbase.

The 626s imported from Japan will be four- and five-door models, but Mazda is starting production of a three-door version for itself (and for partner Ford) at Flat Rock, Mich., this fall. The Flat Rock two-door with a 2.0-liter turbo version available will be broken off from the rest of the 626 line and marketed as the 626 Sports Coupe.

The 323 line gets some new punch this fall from a multi-valve GT version, followed later this year by a 4wd model.

There have been reports that Mazda would import its own 121 — the Kia-built Ford Festiva — as soon as the 1989 model year. But Mazda is concerned about pricing and possible segment saturation by then.

Much more likely are marketing fill-ins like an upscale 424 based on the 323 or a sporty coupe version of the 929, likely to be called the 828. Mazda is actively considering such a move. If either is shown at the Tokyo Auto Show this fall, it could be on sale here by 1989.

JAPAN'S AMERICAN FUTURE

JAPAN

FROM PAGE 30

ance. It is very good at anticipating future conditions and being in the right position."

Toyota Motor Sales executives declined to discuss Toyota's strategy for the future.

HONDA

Honda's 1990s plan for the U.S. market is very simple. Says American Honda Chairman Tetsuo Chino: "We have no other strategies than to increase production and the amount of local components here."

That is not all Honda is doing, by a long shot. But Chino's summary is an acknowledgement that Honda's star is hitched to the U.S. market more than ever.

Its early commitment to U.S. auto production, starting with the first Ohio-built Accords in 1982, helped make Honda the best-selling Japanese car, pushing it past Nissan and Toyota in passenger-car sales.

That commitment to U.S. assembly looks even better now that the appreciation of the yen has virtually eliminated any Japanese production cost edge and while restrictions on exports to the United States continue.

Honda's North American sales goal is one million cars a year by 1990, Chino said.

To achieve a roughly 50 percent growth over 1986 sales, Honda is taking several steps to build on what it perceives as its existing strengths. North American operations, already the keystone of Honda's empire, are being consolidated under Chino.

It is an expression of Honda's increasingly global outlook and will help rationalize Honda's decision — due at year's end — on another North American assembly plant. Options include building a second U.S. assembly plant or expanding Honda's new Canadian facility, Honda executives say.

The first option would likely be a plant of about 200,000 annual capacity located near Honda's expanding engine plant in Anna, Ohio.

Expanding Honda's Alliston, Ontario, plant from 80,000 annual capacity to a full-fledged assembly plant with its own stamping facilities could be brought on stream more quickly than a greenfield U.S. plant.

Honda also is planning a new round of efforts to increase U.S. parts and component sourcing because of the strong yen.

Honda's internal planning assumes no significant changes in existing quotas on Japanese car exports to the United States.

Chino said Honda will be able to achieve its previous goal of 66 percent local content (including labor) by 1989 and will soon set a new goal for a higher level, perhaps as high as 75 percent.

Most future growth in the United States will be through the Acura Division, Chino said. Acura topped 100,000 sales in its first 15 months. Honda expects 400,000 Acura sales annually by the early 1990s with an eventual maximum of 600 dealers by 1991, Chino said.

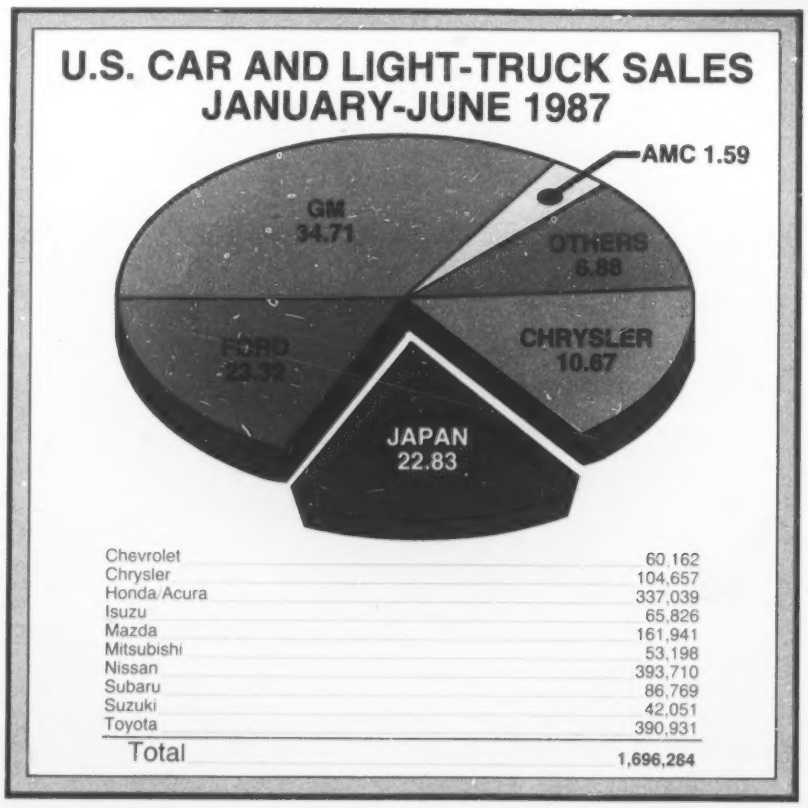
NISSAN

Nissan intends to reach one million car and truck sales in the United States by the early 1990s, up from 780,000 in the 1986 model year, Senior Vice President King says.

He said Nissan could accomplish that in a number of ways. Among the options from which it could choose are to open a second distribution channel -- details of which were revealed last week — increase the number of dealers and broaden the product range.

Nissan's sales growth in the United States must come from sources other than Japanese car exports, because auto industry officials expect car quotas to stay as they are. Yutaka Kume, president of the parent company, said in Mexico that shipping Nissans from Mexico to the United States is a possibility.

Production outside Japan, currently 325,000 a year, or 12.5 percent of the total, will grow to 25 percent by the early 1990s, Nissan Executive Vice President Atsushi Muramatsu said in March.



Chevrolet	60,162
Chrysler	104,657
Honda/Acura	337,039
Isuzu	65,826
Mazda	161,941
Mitsubishi	53,198
Nissan	393,710
Subaru	86,769
Suzuki	42,051
Toyota	390,931
Total	1,696,284

Nissan has had internal problems, reflected in a Japanese market-share drop from 30 percent to 24 percent during the last six years. In the 1986 fiscal year ended Sept. 30, the parent company recorded its first operating loss since going public in 1951.

Daiwa Securities' research department noted that the rapid appreciation of the yen has revealed Nissan's structural problems, including "unprofitable domestic sales and overseas production subsidiaries operating at a loss."

Personnel changes have been made on both sides of the ocean.

King believes Nissan quickly will be able to put the management changes behind it.

Analysts believe poor consumer awareness and image were at least partially behind Nissan's decision in April to fire long-time advertising agency William Esty.

Of all the Japanese automakers, analysts say, Nissan has the purest marketing orientation — a corporate strategy of producing what will sell best, rather than selling what can be produced best. King said he believes that emphasis will serve Nissan well in the next decade.

New products, technology important to Middle 3

The "Middle 3" Japanese automotive importers have growth plans based on new U.S. assembly plants to stay ahead of their smaller Japanese competitors.

But Mazda, Subaru and Mitsubishi part company on their 1990s approaches to dealing with Japan's Big 3.

Mitsubishi Motor Sales of America will broaden its U.S. car and truck lineup to challenge the Japanese Big 3 directly by price-positioning cars against import competitors virtually across the board.

Mazda Motors of America also will broaden its lineup to at least four separate car lines, but will seek more of an upscale, specialty brand image.

Subaru of America will stick to its niche marketing strategy, with no expansion of its basic three-platform lineup.

The difference between the three biggest Japanese automakers and the next three is far more striking in the United States than in the Japanese home market. The *combined* share of the U.S. car market for Mazda, Subaru and Mitsubishi for the first half of 1987 was 3.85 percent, compared with 5.13 percent for Toyota, 5.43 percent for Nissan and 6.63 percent for Honda.

Car sales for the first six months of this year also were disparate. Mitsubishi sold 34,147 units, up 43.7 percent over a disppointing first half of 1986. But Mazda and Subaru were each down nearly 14,000 cars. Mazda sales fell 13.5 percent to 89,573, and Subaru was off 15.3 percent to 77,514.

The Middle 3 approach to 1990s dealer networks differs as well.

Mitsubishi expects to expand from 167 dealers to 328 by 1991. Mazda will "expand as conditions permit" from its current total of 779 to about 1,000 by 1991. Subaru plans no overall change in its 800 dealer outlets, but will continue its upgrading program.

Mazda Motors of America will add at

mazda

least one car line by 1989.

"We've been crawling because we were hampered so much by the quotas," said Rod Hayden, general manager of Mazda Motors of America (Central). "We're going to break it all loose and do what we wanted to do in 1982 and '83. Katie bar the door 'cuz here comes Mazda."

A new flagship, a rear-drive, four-door 929 arrives this fall. Mazda is entering that market later than the Acura Legend, but ahead of similar large models expected in the next year or so from Toyota and Nissan.

The 929 will be the highlight of Mazda's 1988 lineup and will point the future direction of Mazda's image, said one analyst.

"The 929 is a technological tour-de-force, as good as anything the Germans are doing," said analyst Peterson.

Mazda has been rumored to have an entry-level model in the wings, ready to be marketed as the 121. Produced by Kia in South Korea, it would be virtually the same as the Festiva that Kia is currently supplying to Ford Motor Co. But Hayden flatly denied any plans to market a Kia-built minicar.

Additional distinctions within the Mazda marketing lineup are expected, starting this fall. The all-new 1988 626 will be imported from Japan in four-door and five-door form only. Flat Rock, Mich., will assemble a 626 sport coupe that will replace and upgrade the current 626 coupe.

The small 323 line will get a boost this fall with a GT version, and later a full-time 4wd model.

But other analysts see Mazda's U.S. growth hampered by a lack of a unified identity, caused by two independent sales arms. Mazda Motors of America (Central) handles sales in 31 Western and Central states. Mazda Motors of America (East) handles 19 Eastern states.

The unification of the two sales arms "is definitely necessary," Hayden agreed.

Subaru of America will cleave to the niche

SUBARU

player role that has proved so successful for it so far in the U.S. market. "We'll continue to play on the fringes rather than in the middle of the field," said President Tom Gibson.

Subaru sees its strong points as consumer belief in Subaru durability and value and dominance in passenger-car four-wheel drive.

"We see 4wd automotive sales mushrooming over the next five years," Gibson said. The 4wd car segment accounted for 150,000 sales last year, and Subaru thinks it will grow to 750,000 to 1 million by 1992-93.

"We take 55 percent of the segment now," he said. "As the segment grows, so will our sales. We won't take 50 percent of a million 4wd cars but, realistically, if we take 25 percent of it, we'll still be way ahead."

Subaru has no plans to expand dramatically on its three-platform lineup, which became that broad with the Justy minicar introduction during the 1987 model year.

But Subaru will continue to build on its 4wd technology base. It will add 4wd to the Justy in the future, Gibson said.

Besides output from the Subaru-Isuzu assembly plant in Lafayette, Ind., starting in late 1989 or early 1990, Subaru will start sourcing some Justys from Taiwan in 1989.

For 1988, Subaru's XT Sport Coupe will get a 2.7-liter flat-6 engine. And Justy, Subaru's new 1.2-liter minicar, will have 4wd available for the first time.

An upscale four-door sedan based on the XT's platform is possible next spring.

With half the eventual 240,000 annual capacity of the U.S. plant and the additional Justy source, Gibson expects Subaru to reach 300,000 annual sales by 1992-93. But the dealer total will stay around the present 800 and will never top 825, Gibson added.

Subaru may acquire more of its independent distributors by the early 1990s, but still will have both independent and company-owned distributors, Gibson said. After purchasing its Portland, Ore., independent in June, Subaru has six company-owned distributors and seven independents, plus independents in Hawaii and Puerto Rico.

"Subaru in the 1990s will be a company maturing after a significant growth period, a more sophisticated marketing company and more significant in the marketplace," Gibson said. "We'll have a sharper image in technology, customer satisfaction and value for the money. We won't be just another Japanese company."

After chafing under the Japanese government's export quotas, which restricted growth

MITSUBISHI

when it was establishing a direct U.S. sales arm, Mitsubishi is about to blossom, according to Richard Recchia, executive vice president and chief operating officer.

New imports from South Korea and production from the Mitsubishi-Chrysler Motors joint-venture plant in Bloomington, Ill., starting next spring, will allow Mitsubishi to double its dealer outlets by 1991, Recchia said.

Mitsubishi's 1990s strategic plan is beginning to take on substance, he said.

The Precis, a South Korean-built $5,195 entry-level clone of the Mitsubishi-designed Hyundai Excel, was introduced this spring and helped push Mitsubishi to record sales of 7,755 cars in June.

Mitsubishi's three-tiered sourcing plan consists of low-end products from South Korea, high-volume, medium-priced cars from the United States and high-end and specialty cars from Japan.

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Mitsubishi's ambitious four-year introduction pace of a new product every six months starts this fall with the Galant Sigma, a top-of-the-line sedan aimed at the Acura Legend.

The three-tiered sourcing also will give Mitsubishi the product diversity to position vehicles more directly against other imports.

Recchia's 1989 lineup looks like this:

- Galant Sigma aimed at the Acura Legend and Toyota Cressida.
- Galant (replacing Tredia) positioned against Honda Accord and Toyota Camry.
- A Cordia successor from Bloomington aimed at the Nissan 200-SX.
- Starion vs. Toyota Supra and Nissan 300-ZX.
- Mirage positioned against Toyota Corolla, Nissan Sentra and Mazda 323.
- Precis aimed at Hyundai Excel, Volkswagen Fox and Toyota Tercel EZ.

The Montero sports utility vehicle is due for a major change in 1990 or 1991. The Galant Sigma will be replaced in 1991 or 1992, which could coincide with the addition to the lineup of a new front-wheel-drive van, possibly called Delica.

Little 3 are different and will become more so

The three smaller Japanese automotive importers also are the most diverse. Their plans for the 1990s are to become even more diverse.

American Isuzu Motors is well on its way to becoming a supermarket of Asian and European imports.

Suzuki of America Automotive Corp. will try to repeat its niche-conquering success of the Samurai.

Still untested in the U.S. market, Daihatsu America is just looking for a niche to fill. Its future is the most uncertain of any Japanese importer.

Expanded product lines are in the works for each of the three, and each has made optimistic sales forecasts and has predicted bright days ahead.

But executives at each of the three companies know the history of shakeouts in any industry favors the strong, the best-known and the long-rooted.

Managers are working vigorously to overcome their late arrival in the U.S. market, near invisibility among the car-buying public and products that compete in a saturated low-end segment that is most vulnerable to increased competition from low-wage countries.

Each is seeking a market position unique enough to withstand the shakeout traditionally associated with cyclical downturns, the next of which will occur in the late 1980s or early 1990s, according to many analysts.

But the analysts add: Do not write off any of these companies yet.

While conditions theoretically are ripe for consolidations or dropouts, no one is willing to single out Isuzu, Suzuki or Daihatsu as a victim.

Hanging over all three small Japanese companies is the Japanese government's quota on car exports to the United States. The quota system has stunted normal sales growth and dealer development for latecomers to the U.S. market.

Most industry observers expect the quota to remain at the current 2.3 million cars a year for the foreseeable future.

American Isuzu's long-term strategy is to get out of the commodity car business. But exactly where the company is going is still uncertain.

To continue selling only limited numbers of small cars like the I-Mark — a subcompact also sold as the Chevrolet Spectrum — was a losing game, said John E. Reilly, Isuzu senior vice president and general manager. Too many competitors with well-known names and well-established, independent dealer networks have similar products.

American Isuzu's quota is far too limited to permit the company to do as well with cars as it has done with trucks. With the stronger yen taking away low pricing as a competitive option for Japanese manufacturers, Isuzu was in the path of any future market downturn, Reilly said.

American Isuzu dealers needed more cars to sell, so Isuzu last winter went looking for non-affiliated companies overseas that would act as suppliers of Isuzu-branded cars, both entry-level and upscale.

But most established world-class automakers already had overseas partners or had intentions of marketing cars themselves in the United States. Isuzu changed its pitch by offering to sell cars with the manufacturer's own label through selected Isuzu dealers.

Deals for an upscale European import came very close with Alfa Romeo of Italy and Adam Opel AG, General Motors' West German subsidiary. But neither panned out.

The breakthrough came earlier this month when Isuzu and Bitter & Co., a West German coachbuilder, agreed that American Isuzu would be the worldwide distributor of the new Bitter, a performance and appearance upgrade of the Opel Omega priced between $35,000 and $43,000. Most of the projected 10,000 annual production will be sold here.

Isuzu still is negotiating with three other overseas manufacturers, including a maker of an entry-level car, Reilly said.

Those talks will ultimately determine the course of American Isuzu. Reilly originally pictured Isuzu of the 1990s as a far more upscale line, featuring "cars from $9,000 to $40,000," with a new, second franchise of entry-level cars.

Now, he believes the Isuzu nameplate will go on any low-end car while upscale vehicles, such as the Bitter, probably will carry only their own badge and have a separate advertising effort.

Isuzu's strength has been in small trucks, and trucks will continue to be emphasized, Reilly said.

Suzuki of America is looking for rapid growth in the United States. Its main weapon is a retail-oriented philosophy as unconventional as the Samurai, a mini sport-utility vehicle that is marketed to women as a sporty convertible.

Suzuki projects a sales rate of 300,000 annually by 1991.

It had sales of 47,732 in 1986, its first full calendar year in the United States, and it expects to sell all 76,000 the parent company can supply for 1988.

Additional 1989 models are due from a new Canadian plant shared by Suzuki and General Motors. Suzuki would appear to be a smashing success for a late entrant.

But Suzuki's position is more precarious than that of most Japanese importers, acknowledged Doug Mazza, general manager. Tight quota limitations have prevented Suzuki of America from importing any cars, although parent Suzuki Motors supplies GM (which owns 5.3 percent of Suzuki) with Chevrolet Sprints.

Suzuki of America has an ambitious new product plan starting with the opening of the factory in Ingersoll, Ontario. The plant will supply a 1989-model sport-utility vehicle that will be shared with Chevrolet. It will be slightly larger than the Samurai. The plant also will supply Suzuki of America's first car, a new-generation minicar (Chevy Sprint).

For 1990, the Ingersoll plant will send Suzuki of America its first exclusive car, a slightly larger car than the Sprint, followed by a 1991 exclusive small sports car aimed at the slot the Mazda RX-7 held until it moved upscale. Suzuki of America expects to get about 17.5 percent of the Ingersoll plant's production, about 35,000 a year.

But Suzuki of America's plan is based on correctly projecting where the import market is going so that Suzuki can hit the niches between big-volume cars. Even relatively minor shifts in the makeup of the import market could be magnified for niche marketers like Suzuki.

Suzuki of America will stick to "small, high-performance, unique vehicles that fill niches where nobody else is," President Toshiyuki Arai has said.

Because of its late entry into the United States, Suzuki adopted a different approach to marketing from the start, stressing retailing techniques to its dealers as a way of maximizing their profits.

Suzuki has trained its dealers to think of themselves as retailers, not vehicle wholesalers, making the sale of high-profit vehicle accessories part of the purchase consideration rather than an afterthought, Mazza said.

Daihatsu faces a host of problems: A strong yen that pushes up prices of Japanese goods here; being the ninth Japanese automaker to enter the U.S. market; entry into a segment that is already crowded with cars from low-wage countries; no name awareness; and a first-year quota of only 11,498 cars.

But the hardest part for Sota "John" Fukunaka, president and chief executive officer, and C.R. "Dick" Brown, vice president and chief operating officer, may be the failure of a deal between Bombardier of Montreal and Daihatsu Motor Co. on joint production in Canada in 1990.

That, and the parent company's continuing inability to close a deal for Daihatsu production in Poland, leaves Daihatsu America without a certain future source of vehicles from outside Japan.

It changes the roles of Fukunaka and Brown from strategists to tacticians, trying to start U.S. operations and build a dealer network for cars coming this fall without a clear idea where the company is headed.

"We have a scenario for every potential situation," said Brown. He said he is not worried about losing the Bombardier deal, which makes Daihatsu the only Japanese automaker without a U.S. or Canadian assembly plant or a commitment to build one.

"Right now, we just have to worry about getting started," he said.

Forty-one dealers have been selected — 39 in California, one in Nevada and one in Hawaii. Virtually all are duals. Because of limited supply, Daihatsu is not imposing any restrictions on dealers other than parts and training.

Daihatsu dealers do not have to invest in separate parts and service facilities or separate showrooms. That will come as supply is increased, Brown said. Daihatsu dealers do not have to contribute advertising funds to a central pool. There are no dealer ad associations.

The introduction of the Charade has been pushed back to Dec. 1, which means the initial 11,498 cars have to last only four months until the start of the 1988 quota year.

Daihatsu America apparently will market three trim levels of the Charade: base, middle and a sport version with turbocharger, air conditioning, stereo cassette tape player and alloy wheels.

Next spring, Daihatsu is expected to add the Rocky, a small sports utility vehicle larger than the Suzuki Samurai but smaller than the Toyota 4Runner or Chevy S-10 Blazer.

Quality pitch losing its punch; makers to promote brand image

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

In the future, Japanese automakers will place more emphasis on promoting their brand images and less emphasis on promoting product quality.

Consumer awareness of the quality improvements among virtually all domestic and import manufacturers will make quality a non-issue, according to researchers, analysts and importers.

At the same time, a public perception that any Japanese automotive product is superior is slipping. With the artificially short supply of Japanese cars pretty much a thing of the past, Japanese manufacturers are competing with each other more intensely and need greater brand distinction.

"Image and value are going to be the keys in marketing in the late 1980s and the 1990s rather than quality, price and distribution," said John Hammond, of J.D. Power and Associates.

"The discriminator between cars in the future will be image because the quality will be very close," agreed George Peterson, of the AutoPacific Group. "Today, the discriminator is quality because of the obvious difference between A and B. By the 1990s, though, customer satisfaction and the image that a car portrays for its owner will be the decisive factor."

The biggest factor behind the need for a more defined image is an abundant supply of imported Japanese cars.

"Only Honda will actually sell its quota this year, although nearly everybody will take the shipments," said Ron Glantz, of Montgomery Securities.

Nissan Motor Corp. in U.S.A., for example, began spending more on car advertising than on truck advertising earlier this year. That was a reversal of a pattern begun when the Japanese government's export quotas practically guaranteed Nissan car sales while the light-truck market was extremely competitive, said C.P. "Chuck" King, Nissan senior vice president — sales and marketing.

"We no longer have the luxury of spending 70 to 75 percent of our advertising and 95 percent of our promotion budget on trucks," King said. A desire for a more distinctive image was partially behind Nissan's April decision to drop William Esty, its advertsing agency of 10 years.

Peterson commended Nissan's effort. "Nissan and Toyota have nearly identical images in the United States," he said. "Those are good images, but it blurs the ability to create a distinction."

Mitsubishi Motor Sales of America will stress value, starting with the 1988 model year, said Richard Recchia, executive vice president and chief operating officer.

Honda's Acura Division is attempting to build an image comparable to that of European luxury cars in technology, performance and refinement, but a better value.

Similar tasks await Nissan and Toyota. Nissan last week announced plans for formation of its second dealer channel network to handle more upscale models. Toyota is expected to reveal similar plans by the end of the year.

Robots let China's workers breathe easier

By Zhou Shuchun

BEIJING, People's Republic of China — For six years, Dong Hongwei, a 26-year-old paint-sprayer of Jeeps at the Beijing Automobile Factory here, donned a gas mask and gray canvas overalls to do his job.

In spite of the protection, he feared he would breathe too much benzene from the suffocating paint-spray, which could harm his white blood cells.

He could not rid himself of that fear until late last year when a robot took the spray gun from his hand.

Dong, who now supervises the robot, is one of the first Chinese workers to be freed from a health-hazardous working environment. The paint-spraying robot in Dong's workplace signifies China's initial success in developing robotics technology.

Designed and made by the Beijing Research Institute of Automation, the PJ-1 robot consists mainly of a flexible arm of five joints connected to a control box. It has sprayed over 10,000 Jeeps after nine months in service at the Sino-U.S. joint venture, the Beijing Jeep Company Ltd.

While Dong's robot worked tirelessly on a production line, similar ones were on display at the recent China Robot '87 show here, alongside robots from West Germany, Great Britain, Japan and the United States.

China is not usually regarded as a robot producer, although robotics research began in the country a decade ago. The first Chinese robot, introduced in 1982 at the Shenyang Institute of Automation, was similar to an American model.

In the ensuing five years, nearly 100 "machine-persons" — the Chinese name for robots — have emerged at dozens of Chinese research centers.

One of them is an intelligent robot developed by Qinghua University in Beijing. A third-generation model, the robot plans its own action-sequence for a given task. Using computer vision, for example, it can find short-cuts to turn a pile of blocks into a house without human aid.

The Qinghua robot, considered to be up to world-level robotic development of the late 1970s and early 1980s, impressed foreign visitors as "much more advanced than we expected Chinese robots to be."

Most Chinese robots belong to the first-generation teaching-and-playback type. They are designed to replace people in dangerous, harmful or inaccessible working conditions.

"China has no robot industry to speak of yet. Our efforts have thus far remained within the domain of research," said Jiang Xinsong, general manager of the Research and Development Center of Robotics under the China Academy of Sciences.

So far, robot research projects have given little thought to functional aspects, and few projects have resulted in practical uses.

Also, the poor industrial level of Chinese factories prevents robot use. Experts say that under present typical workshop conditions in China, where mechanical precision standards fall short of minimum requirements, robots will not function.

China has hopes to grasp the basic robotics technologies and develop five families of robots for spot- and arc-welding, paint-spraying, cargo-carrying and underwater operations. ■

OVERSEAS REGISTRATIONS

SWEDEN
Cars

	5 mos., 1987	5 mos., 1986
BMW	2,134	2,066
Bertone	0	10
Daihatsu	519	3,218
Fiat Auto	3,430	3,218
Fiat	2,193	1,661
Lancia	704	1,104
Alfa Romeo	533	453
Ford	14,295	12,204
GM-Opel	13,186	10,249
Honda	1,572	1,859
Isuzu	46	0
Lada/VAZ	817	697
Mazda	5,640	5,054
Mercedes-Benz	3,309	3,336
Mitsubishi	1,222	904
Nissan	5,856	5,887
Peugeot SA	4,252	2,751
Citroen	1,579	1,164
Peugeot/Talbot	2,673	1,587
Porsche	199	246
Renault	1,621	1,425
Rolls-Royce	4	1
Saab	12,229	11,932
Skoda	42	59
Subaru	709	619
Suzuki	652	390
Toyota	8,972	5,727
VW Group	15,713	13,728
Volkswagen	9,992	8,866
Audi	5,721	4,862
Volvo	31,429	26,265
Others	121	44
Total	127,699	109,314

AUSTRIA
Cars

	4 mos., 1987	4 mos., 1986
BMW	2,164	2,505
Daihatsu	542	410
Fiat Auto	5,884	6,853
Fiat/Lancia	5,045	6,045
Alfa Romeo	839	808
Ford	8,797	8,468
GM-Opel	9,647	11,262
Honda	1,728	1,914
Jaguar	49	36
Lada	489	487
Mazda	7,382	7,367
Mercedes-Benz	3,138	3,247
Mitsubishi	2,569	1,891
Nissan	4,866	4,196
Peugeot SA	5,685	5,445
Citroen	2,535	2,186
Peugeot/Talbot	3,150	3,259
Porsche	122	181
Renault	4,244	4,215
Rover Group	67	75
Saab	87	125
Skoda	276	300
Subaru	1,372	1,395
Suzuki	680	560
Toyota	5,500	5,472
VW Group	16,234	17,481
Volkswagen	13,177	14,039
Audi	2,611	2,939
Seat	446	503
Volvo	961	1,214
Others	28	22
Total	82,511	85,121

JAPAN
Cars

	3 mos., 1987	3 mos., 1986
Daihatsu	21,478	27,085
Fuji	19,354	21,684
Honda	74,305	72,275
Isuzu	14,915	14,624
Mazda	50,059	48,597
Mitsubishi	44,162	42,741
Nissan	220,997	228,204
Suzuki	15,882	16,733
Toyota	388,149	373,187
Imports (all)	19,555	13,988
Total	868,856	859,118

Vans, trucks, buses

Daihatsu	106,954	96,954
Fuji	69,110	11,523
Hino	12,526	11,523
Honda	51,538	48,633
Isuzu	29,077	28,780
Mazda	37,264	40,751
Mitsubishi	103,972	96,954
Nissan	71,870	72,575
Nissan Diesel	7,277	6,713
Suzuki	113,457	109,145
Toyota	104,654	97,021
Imports (all)	48	51
Total	707,747	672,519
Total Vehicles	1,576,603	1,531,637

DENMARK
Cars

	5 mos., 1987	5 mos., 1986
BMW	1,091	1,705
Dacia	55	212
Daihatsu	973	1,884
Fiat Auto	3,680	4,255
Fiat	3,367	3,994
Lancia	53	0
Alfa Romeo	260	261
Ford	7,023	11,202
FSO	333	672
GM-Opel	9,525	14,821
Honda	1,154	1,518
Jaguar/Daimler	29	12
Lada	1,937	0
Mazda	5,461	8,760
Mercedes-Benz	662	613
Mitsubishi	1,192	316
Nissan	2,823	4,671
Peugeot SA	6,011	5,469
Citroen	3,520	3,910
Peugeot/Talbot	2,491	1,559
Renault	160	518
Rover Group	179	199
Saab	518	816
Skoda	1,442	1,665
Subaru	178	275
Suzuki	37	161
Toyota	6,420	10,692
VW Group	4,850	7,076
Volkswagen	3,714	6,112
Audi	665	443
Seat	471	521
Volvo	2,279	3,185
Wartburg	399	368
Zastava	476	771
Total	58,915	86,227

NORWAY
Cars

	4 mos., 1987	4 mos., 1986
BMW	4,152	1,913
Chrysler	11	1
Daihatsu	227	717
Fiat Auto	1,981	2,092
Fiat	1,784	1,904
Lancia	157	110
Alfa Romeo	40	78
Ford	5,766	9,268
GM-Opel	4,269	8,101
Honda	1,018	2,016
Isuzu	32	35
Jaguar	19	10
Jeep	4	2
Lada	673	890
Maserati	3	3
Mazda	3,199	5,404
Mercedes-Benz	907	1,487
Mitsubishi	1,911	2,528
Nissan	2,441	4,121
Peugeot SA	2,314	3,132
Citroen	962	1,066
Peugeot/Talbot	1,352	2,066
Porsche	6	10
Renault	319	386
Rover Group	0	1
Saab	685	1,217
Skoda	114	109
Subaru	909	1,226
Suzuki	295	237
Toyota	5,357	7,064
VW/Audi	4,152	6,634
Volvo	3,209	5,508
Total	40,552	64,112

FINLAND
Cars

	3 mos., 1987	3 mos., 1986
BMW	848	929
Daihatsu	136	207
Fiat/Lancia	1,475	1,919
Ford	3,052	3,121
FSO	142	141
GM-Opel	3,734	4,016
Honda	1,626	1,313
Isuzu	110	68
Lada	4,309	3,389
Mazda	2,753	3,130
Mercedes-Benz	863	884
Mitsubishi	2,110	2,163
Nissan	4,527	4,848
Peugeot SA	1,947	1,579
Citroen	548	588
Peugeot/Talbot	1,399	991
Renault	350	333
Saab	2,206	2,032
Skoda	401	468
Subaru	269	237
Suzuki	288	337
Toyota	6,300	5,063
VW Group	3,719	4,067
Volkswagen	2,445	2,700
Audi	790	666
Seat	484	701
Volvo	2,403	2,128
Others	197	463
Total	43,765	42,835

BRAZIL (Sales)
Cars, light commercial vehicles

	6 mos., 1987	6 mos., 1986
Agrale	688	667
Engesa	290	176
Fiat	33,247	51,343
Ford	62,497	99,987
General Motors	71,393	110,000
Gurgel	929	908
Mercedes-Benz	15,745	16,740
Saab-Scania	1,868	2,336
Santa Matilde	13	88
Toyota	1,666	1,727
Volkswagen	90,706	173,713
Volvo	797	1,334
Total	279,839	459,019

ITALY (Sales)
Cars

	4 mos., 1987	4 mos., 1986
ARO	889	762
BMW	7,120	7,455
Chrysler	11	16
Daihatsu	10	33
Fiat Auto	443,180	414,576
Fiat	325,684	305,870
Lancia/Autobianchi	72,807	61,504
Alfa Romeo	44,353	46,963
Ferrari	336	239
Ford	29,951	26,289
GM-Opel	24,117	23,122
Honda	25	50
Hyundai	720	376
Innocenti	4,873	4,637
Isuzu	35	0
Jaguar	226	126
Lada	674	499
Maserati	1,261	1,092
Mercedes-Benz	9,277	7,400
Mitsubishi	92	151
Nissan	10	1
Peugeot SA	54,295	49,043
Citroen	25,330	25,321
Peugeot/Talbot	28,965	23,722
Porsche	317	274
Renault	60,398	57,471
Rolls Royce	11	228
Rover Group	9,583	10,049
Saab	1,518	1,314
Skoda	614	564
Subaru	121	33
Suzuki	3,645	1,035
Toyota	566	224
VW Group	87,405	73,158
Volkswagen	56,172	51,703
Audi	7,427	5,226
Seat	23,806	16,229
Volvo	6,453	6,890
Others	187	752
Total	747,573	687,388

PRODUCTION

JAPAN
Cars

	3 mos., 1987	3 mos., 1986
Daihatsu	43,732	41,296
Fuji	74,244	77,965
Honda	246,464	257,480
Isuzu	51,935	52,121
Mazda	212,143	199,544
Mitsubishi	138,248	153,943
Nissan	482,992	438,796
Suzuki	71,804	66,285
Toyota	642,972	665,113
Total	1,964,534	1,952,543

Vans, trucks, buses

Daihatsu	114,126	107,816
Fuji	90,336	83,089
Hino	14,246	16,788
Honda	56,600	53,561
Isuzu	80,310	85,219
Mazda	99,772	108,489
Mitsubishi	165,646	150,513
Nissan	126,729	138,822
Nissan Diesel	8,018	8,822
Suzuki	135,941	141,023
Toyota	256,121	256,753
Others	97	193
Total	1,147,942	1,151,088
Total Vehicles	3,112,476	3,103,631

FRANCE
Cars

	4 mos., 1987	4 mos., 1986
Peugeot SA	576,973	526,141
Citroen	233,588	193,462
Peugeot/Talbot	343,385	332,679
Renault	504,313	424,447
Total	1,081,286	950,588

Vans, trucks, buses

CBM	0	19
Heuliez	74	26
Iveco-Unic	19	36
Peugeot SA		
Citroen	23,735	28,087
Peugeot/Talbot	34,230	30,878
Renault/RVI	98,239	98,928
Sovam	24	25
Total	156,331	157,999
Total Vehicles	1,237,617	1,108,587

AUCTION DATES

American Motors

July 28 — D-A Auto Auction, New Stanton, Pa.

July 29 — Minneapolis Auto Auction, Plymouth, Minn.

July 30 — Greater Chicago Auto Auction, Chicago; Evansville Auto Auction, Evansville, Ind.; and Todd Auto Auction, Telford, Pa.

Aug. 4 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Aug. 5 — Columbus Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

Aug. 6 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

July 28 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

July 29 — South Seattle Auto Auction, Kent, Wash.; A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and Southern Auto Auction, Warehouse Point, Conn.

July 30 — Fredericksburg Auto Auction, Fredericksburg, Va.

July 31 — St. Louis Auto Auction, Bridgeton, Mo.

Aug. 4 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Aug. 5 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Ford Motor Co.

July 28 — South Seattle Auto Auction, Kent, Wash.

July 29 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

July 30 — Baltimore-Washingon Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

July 28 — Harrisonburg Auto Auction, Harrisonburg, Va.

July 29 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

July 30 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

Aug. 4 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and 166 Auto Auction, Springfield, Mo.

Aug. 5 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Aug. 6 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

July to date	$5,923
Month ago	$5,900
Year ago	$5,191

Model Breakdown
Auction Averages

	JUL 1987	JUN 1987	MAY 1987
1987	$11,207	$11,113	$11,046
1986	$9,109	$9,187	$9,287
1985	$7,177	$7,191	$7,194
1984	$5,745	$5,727	$5,718
1983	$4,852	$4,852	$4,873
1982	$3,680	$3,687	$3,705
1981	$2,645	$2,680	$2,705
1980	$2,078	$2,134	$2,141
Overall Average	$5,923	$5,900	$5,871

AUCTION DIRECTORY

KENTUCKY

Mt. Sterling Auto Auction. 48 state pickup for fleet and lease customers. Mt. Sterling, Kentucky. 606-498-1414.

MAINE

M.A.D.E. Auto Auction, Exit 11 Maine Turnpike, Gray, Maine. 4-lane, sale Tues. at noon, Weds. to 7 PM. Fleet-lease-pickup recon for N.E.A. J.C. Heim, 207-657-2000.

MASSACHUSETTS

American Auto Auction, 600 Providence Hwy., Walpole, Mass. 02081. Sale every Tuesday, 11 A.M. 617-329-4955.

MASSACHUSETTS

Concord Auto Auction, Rt. 2, P.O. Box 257, Acton, Mass. 01720. Fleet & Lease accounts. Ford Factory Sale. Sale every Friday, 10 A.M. 617-263-8300.

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Wednesday Auto Auction. Exit 49 on I-270. Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

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Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

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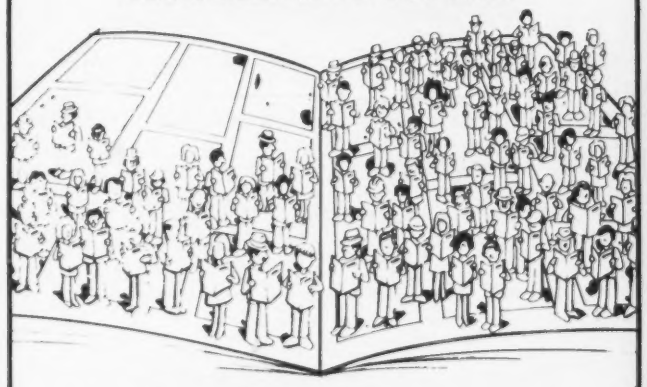

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Ford profits exceed combined total of U.S. rivals

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. continued its success story as it surpassed the combined earnings of General Motors, Chrysler Corp. and American Motors in the second quarter and first half of this year.

Ford's record earnings, as well as a profit by AMC, helped pull the domestic industry above last year's levels. GM and Chrysler reported lower earnings for the period.

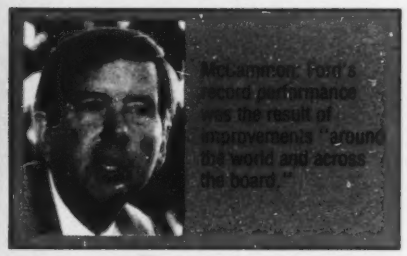
The domestic makers earned $2.9 billion in the April-June quarter, up 16 percent from the $2.5 billion earned in the year-ago quarter. Quarterly sales for the domestics totaled $53.8 billion, up 5 percent from $51.4 billion in the year-earlier quarter.

For the first six months of the year, the four domestic companies earned $5.6 billion, up 17 percent from $4.8 billion last year. Sales for the six months hit a record $105.2 billion, up 6 percent from $99.7 billion in the first half of 1986.

Ford Motor Co.

Ford earned $1.5 billion in the second quarter, its highest quarterly profit in history and an increase of 36 percent from the $1.1 billion earned in the second quarter of 1986. Ford sales for the quarter hit $19.5 billion, a record for any quarter in Ford history and up 13 percent from $17.3 billion in the same quarter a year ago. Worldwide factory unit sales were 1,694,000, up only 1 percent.

For the first six months of this year, Ford earned a record $3.0 billion, just shy of the $3.3 billion the company earned in all of 1986 and more than GM earned in all of 1986. It was also a 67-percent increase from the $1.8 billion that Ford earned in the first six months of 1986.



McCammon: Ford's record performance was the result of improvements "around the world and across the board."

Sales for the first six months totaled $37.6 billion, up 17 percent from $32.1 billion in the first half of 1986.

On a per-share basis, Ford earned $5.81 in the quarter compared with $4.02 a share in the year-ago quarter. For the six-month period, earnings were $11.54 a share, compared with $6.72 last year.

David McCammon, vice president — controller, said that Ford's record performance was the result of improvements "around the world and across the board."

He said sales and market share around the world improved from the previous year. At the same time, costs were lower this year.

In the United States, Ford's retail car and truck sales rose 5 percent for the quarter despite an industry decline of more than 5 percent compared to a year ago. Ford increased its second-quarter share of the U.S. car market by 2.6 percentage points to 20.6 percent. Ford's truck share rose 1.2 percentage points from the second quarter of 1986 to 29.5 percent this year. As for U.S. profits, Ford made $982 million in the quarter, up 24 percent from a year ago.

Outside of the United States, Ford earned $516 million, a quarterly record. That compares with overseas profits of $286 million in the second quarter of 1986, or an increase of 80 percent.

Ford posted record sales in Europe of 769,300 cars in the first half of the year. That was 57,400 units higher than in the comparable period a year ago. Ford estimated its share of the European automotive market at 12.0 percent, or 0.3 of a point better than last year's first half.

European truck sales hit their highest level since 1980 at 94,900 units, 22,300 higher than last year's first half. Ford estimated its truck share at 10.7 percent, or 0.7 of a point better than the same period last year.

Second-quarter profits were reduced by $52 million, or 20 cents per share, to reflect costs associated with the anticipated restructuring of the company's involvement in South African Motor Corp.

Ford Motor Credit contributed to Ford's continuing success with a record second-quarter profit of $192 million, a 22-percent increase from the $157 million earned in the second quarter of 1986.

The finance subsidiary's first-half earnings were a record $388.4 million, up 33 percent from $292.8 million in the year-ago first half. The company ended the period with assets of $46.6 billion, up 26 percent from year-ago levels.

The company financed 571,000 vehicles in the United States during the second quarter, compared with 508,000 a year ago, mainly because of incentives. That represented 42 percent of all Fords sold during the period.

General Motors

GM earnings for the quarter amounted to $980.3 million, down 4 percent from $1.0 billion earned in the 1986 second quarter. Sales for the quarter dropped 3 percent to $26.7 billion from $27.6 billion in the year-ago quarter. Worldwide factory sales totaled 2,058,000, a 14-percent decline from year-ago sales.

For the first six months, GM's earnings amounted to $1.9 billion, down 14 percent from $2.2 billion a year ago. Sales for the first half totaled $52.8 billion, down 3 percent from $54.4 billion in the 1986 first half.

On a per-share basis, GM earnings amounted to $2.80, compared with $2.92 for the year-ago quarter. For the first six months, GM earned $5.42 per share compared with $6.44 a share one year ago.

GM said it is ahead of targets for meeting the salaried employment reduction. The automaker said that since the middle of 1986, it has reduced its salaried rolls by 23,000, more than half way to its target of 40,000 by the end of 1988.

General Motors Acceptance Corp. had record earnings of $411.8 million for the second quarter, up 38 percent from $298.6 million in the same period a year earlier.

For the first six months, GMAC's earnings totaled $893.2 million, up 55 percent from $575.2 million in the year-ago first half.

GMAC said the higher income reflected higher average earning assets and lower borrowing costs.

GMAC financed 645,000 new cars and trucks in the United States and 148,000 vehicles in other countries, or about 24 percent of the vehicles it sold worldwide during the quarter.

GM's computer services subsidiary, Electronic Data Systems, had a profit of $72.0 million, or 59 cents a share, for the quarter, up 15 percent from $62.7 million (51 cents a share) a year ago.

EDS quarterly revenues increased 1 percent to $1.1 billion. Sales to GM and its subsidiaries amounted to $337.2 million of the total, up 30 percent from $259.1 million in the year-ago quarter.

For the first six months, EDS earned $136.6 million, up 15 percent from $118.3 million. Revenues for the six-month period rose 2 percent to $2.1 billion. Sales to GM and its subsidiaries accounted for $1.4 billion, down 7 percent from $1.5 billion.

Earnings for GM Hughes Electronics, GM's subsidiary that includes Hughes Aircraft and Delco Electronics, totaled $140.8 million, or 89 cents a share, up 6 percent from $133.0 million (85 cents a share).

Its sales totaled $2.6 billion, down 5 percent from $2.8 billion a year ago. Sales to GM and its affiliates totaled $807.8 million, down 7 percent from year-ago levels.

For the six month, GM Hughes Electronics earned $278.8 million, or $1.77 a share, up 12 percent from $249.2 million ($1.62 a share). Sales totaled $5.3 billion, even with 1986's first half. Sales to GM amounted to $1.7 billion, up 1 percent from year-ago levels.

Chrysler Corp.

Chrysler Corp. reported lower earnings on record sales for the second quarter.

Second-quarter profits totaled $428.7 million, down 12 percent from the $488.2 million earned in the year-ago second quarter. Sales set a record for the quarter of $6.4 billion, up 13 percent from $5.7 billion in the year-ago quarter. The previous sales record was $6.0 billion, set in the first quarter of this year.

Worldwide factory sales for the quarter were 558,122 units, down 3 percent from 572,869 in the 1986 second quarter.

Iacocca: Despite the earnings drop, it was "another solid performance for Chrysler."

For the first six months of the year, Chrysler earned $698.4 million, down 17 percent from $845.1 million earned in the same period a year ago. Sales hit a six-month record of $12.4 billion, up 8 percent from the $11.5 billion in sales in the first six months of 1986.

Worldwide factory sales for the six-month period were 1,128,124 units, down 1 percent from 1,139,640 units a year ago.

On a per-share basis, Chrysler earned $2 in the second quarter, compared with $2.19 a year ago adjusted for a three-for-two stock split in March. For the six months, earnings amounted to $3.24 a share, down from $3.76 a share.

Chrysler's 1986 earnings included a gain of $131.9 million from the sale of its stake in Peugeot.

Despite the earnings drop, Chrysler Chairman Lee Iacocca said it was "another solid performance for Chrysler," particularly in light of lower vehicle sales. He said the performance was due to Chrysler's program, started more than two years ago, to place greater emphasis on trucks and move upscale in its car lines.

Chrysler Financial Corp. reported record net earnings of $60 million for the second quarter, up 30 percent from the previous second quarter high of $46 million in the year-ago second quarter.

For the first six months of the year, Chrysler Financial earned a record $122 million, up 42 percent from the previous record of $86 million set in the first six months of 1986.

Chrysler Credit, the automotive finance subsidiary of Chrysler Financial, financed 212,902 new and used vehicles during the second quarter. It financed 30 percent of the new vehicles sold by Chrysler dealers.

Chrysler Financial's earnings increase was attributed to significant growth in the company's earnings assets and to an increase in finance volume by the automotive and diversified financing units.

American Motors

AMC, likely reporting its last quarterly earnings as an independent car company, announced its third consecutive quarterly profit after huge losses during the past seven years.

AMC reported profits of $30.2 million for the second quarter. That compares with a net loss of $52.0 million in the second quarter a year ago.

It was AMC's best-ever second quarter. The only quarter in AMC history in which profits were higher was the first quarter of 1979 when AMC earnings totaled $32.0 million.

For the six months, AMC earned $53.7 million this year compared with a loss of $71.0 million in the first six months of 1986.

AMC earned 17 cents a share in the quarter compared with a 50-cent-per-share loss in the second quarter of 1986. For the six months, AMC earned 29 cents a share compared with a loss of 70 cents a share for the first six months a year ago.

Earnings included tax credits of $17.0 million for the quarter and $32.6 million for the half.

Chrysler Chairman Lee Iacocca said "a big chunk" of AMC profits came from building 40,000 Chrysler Fifth Avenue cars at AMC's Kenosha, Wis., assembly plant. Chrysler has contracted with AMC to build its cars. It plans to acquire AMC next month.

AMC's sales for the quarter hit a record $1.2 billion, up 47 percent from $800.8 million in the year-ago period. For the first six months of the year, AMC sales amounted to $2.3 billion, up 35 percent from $1.7 billion in the first six months of 1986.

AMC's car and Jeep sales improved in every segment and region except automobiles sold outside of North America. Total worldwide sales of AMC cars and Jeeps amounted to 87,595 units for the quarter, up 19 percent from 73,363 in the year-ago quarter. For the six months, AMC sold 170,534 units worldwide, up 13 percent from 150,785 a year ago.

AMC President Joseph E. Cappy attributed the improvement in AMC's performance to strong worldwide Jeep sales, a richer product mix, improved operating margins, higher utilization of manufacturing capacity and continued improvement in manufacturing efficiency.

JWT agency keeps Ford account in U.S.; billing is $260 million

AMC holders approving buyout by wide margin

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Early returns from proxy votes by American Motors shareholders show overwhelming support for Chrysler Corp.'s proposed buyout of AMC.

An AMC spokesman said holders of 55 percent of the common shares had voted by proxy as of July 23, and 98 percent of those shares were voted in favor of the takeover. Among the votes in favor of the takeover were the 58,663,420 common shares owned by Renault. Renault holds 41.42 percent of all AMC common shares.

AMC said holders of 12 percent of the non-Renault common shares have voted by proxy, and 93 percent of those shares have been voted in support of the takeover.

Holders of less than 10 percent of AMC preferred shares have cast their ballots; their approval rate was 95 percent last week.

AMC will hold a stockholders' meeting Aug. 5 at its Southfield, Mich. headquarters. The results of the vote on the Chrysler takeover will be announced at that meeting.

The merger must be approved by holders of two-thirds of AMC's outstanding common and preferred shares, voting separately. It is also subject to the approval of a majority of the non-Renault common shares voted on the matter. The French government has already approved the proposal, however the U.S. and Canadian governments have yet to give their OK.

The AMC spokesman declined to give the exact number of AMC shareholders who have cast their ballots or how many shares are represented by those who have already voted.

Chrysler to select AMC exec bonuses

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — American Motors executives will not receive bonuses before Chrysler Corp.'s planned takeover of AMC this summer.

AMC directors approved a recommendation by AMC and Chrysler management on July 17 that allows Chrysler to determine AMC executive bonuses for the 1987 calendar year after the buyout.

AMC management will give Chrysler information on the performance of specific employees and their contribution to AMC's financial results during the 1987 calendar year. Based on the AMC bonus plan outlined in its recent proxy statement, AMC has set aside approximately $1.25 million for executive bonuses.

At last count, AMC had 125 employees on its bonus roll. AMC has not paid a bonus to its employees since 1986, based on 1979 financial results.

Chrysler set has set aside $102 million for bonuses, based on 1986 financial results. The bonuses will be paid to eligible Chrysler executives this year. AMC executives will not receive bonuses for 1986 because the company did not make a profit last year.

The Chrysler board normally awards bonuses to executives based on quality, productivity, market-share and marketing goals met during the year, according to a spokesman.

Despite general optimism toward the buyout, there was a report last week that a group of New York investors plans to file a protest with the Securities and Exchange Commission about Chrysler's purchase of AMC.

However, no such complaint had been registered with the commission by late last week. Chrysler and AMC officials said they do not know the name of the group or the nature of the alleged complaint.

Chrysler Corp. Chairman Lee A. Iacocca told reporters at a press conference last week that Chrysler's $4.50-per-share bid for AMC is "a very, very good deal" and indicated that Chrysler was not going to raise the price before the stockholders' meeting.

"That's the deal we offered and they're going to vote on it," he said.

Automotive analyst Ronald Glantz, of Montgomery Securities, San Francisco, said the complaint would be of little consequence to AMC or Chrysler at this point.

Iacocca predicted that Chrysler would close the deal "shortly after" the AMC stockholders' meeting on Aug. 5. However, the exact date will depend on the Federal Trade Commission, which must approve the deal.

Renault officials in France said last week that they supplied additional information to the Federal Trade Commission on July 17. The FTC had asked AMC, Chrysler and Renault for additional data in connection with the commission's review of the proposed takeover.

Automotive News Staff Reporter Mary Connelly in Detroit and Staff Correspondent Jean-Jacques Renaux in Belgium contributed to this report.

DEALERS

FROM PAGE 3

FTC further charged that those hours were enforced by threats of physical harm and property damage to non-complying dealers. There was a conspiracy of smaller scope to restrict newspaper advertising of vehicles, FTC said.

The dealers contended that they restricted their hours of operation in response to demands by their sales staffs.

Some charges were subsequently dropped, as were some respondent-dealerships and respondent-individuals. The trial began July 10, 1986, and ended late in October.

Timony's initial decision is limited to the Detroit Auto Dealers Association, 96 dealerships, 81 persons and 18 other associations, including line groups.

It may be appealed — initial decisions almost always are — or reviewed independently by the five FTC commissioners. If neither happens, the initial decision automatically becomes effective within 30 days.

There was a lengthy trial and voluminous documentation in the case, but there was never any question of the existence of an agreement among dealers and their trade associations.

The issue was whether it breached the antitrust laws. That, in turn, was determined by motivation and who benefited.

Among Timony's findings of fact was the lack of evidence that Saturday closings caused higher retail prices in the tri-county metropolitan Detroit area or that dealers in that area benefited by an increase in gross margins as a percentage of sales.

Timony noted the anomaly of the promotion of competition by the antitrust laws and the dimunition of competition through collective bargaining. The basic reason for exempting labor unions from the antitrust laws was that worker benefits may outweigh the lessening of competition.

The major case on which Timony rested his weighing of evidence was the 1965 U.S. Supreme Court decision in Amalgamated Meat Cutters v. Jewel Tea. He found the Jewel Tea case "remarkably similar" to the FTC-Detroit dealer case.

Both involved hours of operation and disagreements among retailers. Both involved union and worker demands.

Timony said in his initial decision, "The only material distinction from this case is that the food retailers in Chicago formally negotiated the hours reduction with the union, whereas the car dealers in Detroit, with the advice of their associations, gave in to the demands of their employees and unions to avoid formal multi-employer bargaining."

Timony noted that concerted activity is exempt from antitrust concerns if motivation came from labor concerns rather than business concerns and if the former is more direct than the latter.

From that point of view, Timony said, evidence in the Detroit case showed "the give and take of a struggle between labor and management." The weight of the evidence showed "substantial employee involvement" in operating hours, and the concerted action by dealers and their trade groups was impelled by that involvement, he said.

Timony concluded, "The evidence is clear that the impact of the combination here is greater on labor concerns than on competitive concerns. The uniform shortening of hours of operation directly responded to the concerns of the sales employees."

Compared with that direct impact, Timony called the effect on competition "remote." Car prices did not rise. Although consumers' shopping convenience was affected, that was "too indirect to outweigh the labor effects of uniform shorter hours of operation."

Timony's conclusion leading to the tentative dismissal of the case was, "Any successful labor demand for uniformity will affect competition. So long as the competitive effects flow naturally from the elimination of competition over wages, hours and working conditions, the goals of the antitrust laws must be subordinated to the goals of the labor laws.

"Here, the competitive effects flow directly from the elimination of competition over hours to meet the employees' demands."

Detroit is unique — it is the only metropolitan area in the United States in which almost all new-car dealerships are closed on Saturdays. According to Timony, in the communities "immediately surrounding the Detroit area," 88 out of 107 dealerships are open on Saturdays. The issue is of interest to dealerships in general because unionization is relatively rare except in urban areas.

At the Detroit Auto Dealers Association's press conference, Fischer declared that "Detroit is truly the auto capital of the country" and Timony's decision "confirms that Detroit is still the best place for a consumer to buy a car."

He also repeated the dealer association's claim that on average, a car costs at least $100 less in the Detroit market than it does elsewhere because dealers pass on cost savings resulting from the limitation on showroom hours.

Testimony in the trial showed that in the Cincinnati area, all 135 new-car dealerships are open on Saturdays. In the St. Louis area, 159 out of 161 are open Saturdays. All 364 Chicago-area new-car dealerships are open on Saturdays, as are all 168 new-car dealerships in the Cleveland area.

Unlike the Detroit area, however, dealerships in all except Cleveland — where Timony said collusion may exist — are open three or more weekday nights.

CONGRESS

FROM PAGE 1

ingly internationalized marketplace."

Greenwald praised the Japanese for their industriousness, attacked them for their "one-way trade policies" and warned that the United States had better be prepared to pay the price to compete with them and any other world economic power.

"Getting competitive is going to be expensive," Greenwald said. "It's going to take one helluva lot of sacrifice."

Greenwald outlined a seven-point bill of rights — "an amendment to the constitution of timid, laissez-faire management — be it in government or in industry."

He said government must cut the federal budget deficit, adopt a tough trade policy, create a national energy program, protect companies from corporate raiders, improve the educational system and reform the tax laws — again — to put them in line with those of our trading partners, Greenwald said.

Beyond all that, American industry must do its part by making a "proclamation of productivity, a declaration of quality and a treatise on customer service."

The odds of winning are stacked against the United States, especially when the competition is fighting the economic war like jungle-trained guerillas, Greenwald said.

"We can change those odds — but only if 'we the people' get mad enough and demand change," he said. "The key is having the will . . . and having the guts to face up to the costs — both the costs for our country and, ultimately, the costs for ourselves."

Mercer, who presented the suppliers' perspective on the industry, said the weakened dollar has only temporarily boosted U.S. competitiveness. He said long-term survival depends on companies becoming competitive in the world market.

"Right now, many American companies are riding the coattails of the devalued dollar," Mercer said. "But the dollar has only put their fatal illness into remission.

"When the dollar strengthens, as it will, world-class competitiveness is essential — not only against imports, but against emerging new suppliers in our own backyards."

Despite that backdrop, Mercer said there is a great opportunity for companies willing to make big investments and take risks.

Three corporate commitments must be made, he said: world-class product quality, global manufacturing efficiency and product innovation.

Mercer said suppliers must seek growth in the mature U.S. market through increased market share rather than an increase in total unit growth.

"In the rest of the world, suppliers must position themselves with manufacturing plants," he said. "They must supply emerging new contenders in developing nations that will export, as well as transplanted auto facilities — whether they are U.S. companies going overseas or foreign manufacturers coming to our shores."

DOMESTIC SALES

	July 11-20, 1987	July 11-20, 1986
Renault		
Alliance-Encore	526†	1,250†
AMC	150†	250†
American Motors	676	1,500
Chrysler	8,370	8,222
Plymouth	6,477	7,582
Dodge	8,515	11,422
Chrysler Motors	23,362	27,526
Ford	38,553	31,617
Mercury	13,048	12,121
Lincoln	5,885	3,970
Ford Motor Co.	65,486	47,708
Buick	14,370	16,448
Cadillac	5,759	4,975
Chevrolet	39,414	34,279
Oldsmobile	19,471	23,737
Pontiac	17,352	16,812
General Motors	96,746	96,251
Volkswagen	1,614	968
Honda	5,469	3,705
Nissan	2,984	20
Toyota	874	0
U.S. Industry Total	187,410	177,679

Car-sales slump ends; up 5%

By Karen Detkowski
SPECIAL CORRESPONDENT

Domestic new-car sales climbed 5.48 percent in mid-July, ending a slump that began eight selling periods ago in mid-April.

July 11-20 sales rose to 187,410 from last year's 177,679. Domestic sales since Jan. 1 totaled 3,996,599, down 11.33 percent from 4,507,132 in the year-ago period.

The mid-July daily selling rate was 23,426, up from 22,210 in 1986. There were eight selling days in the period both years. The July 1-10 rate was 20,738, based on sales of 165,910.

General Motors' sales were up 0.51 percent, marking GM's first increase since the last 10-day period in March. Volkswagen of America reported its first increase since the early-March period. VW sales of U.S.-built cars in mid-July rose 66.56 percent over last year's.

Also showing increases were Ford Motor Co., up 16.72 percent; and Honda, up 47.61 percent. Nissan sold 2,984 cars this year, compared to 20 in 1986 when stocks were depleted because its plant was down. American Motors' sales fell 55.00 percent; Chrysler Motors dropped 15.13 percent. Toyota reported sales of 874 U.S.-built cars; it began selling U.S.-made cars in September.

PRODUCTION

Auto production sags

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

With several plants idle for model changeover, last week's domestic auto production dipped from the prior week's output and the year-ago week's total.

Automakers targeted 73,890 cars last week, 19.51 percent below the previous week's 91,804 and 35.00 percent below the year-ago week's 113,681.

Last week's scheduled production was shared as follows: Ford Motor Co., 44.08 percent; General Motors, 31.70 percent; Honda of America Manufacturing Inc., 9.12 percent; Chrysler Motors, 6.50 percent; New United Motor Manufacturing Inc., 5.08 percent; and Nissan Motor Manufacturing Co. U.S.A., 3.52 percent.

As reported earlier, Volkswagen of America's Westmoreland, Pa., plant is idle for model changeover until Sept. 14.

Output at GM's Oklahoma City plant will be reduced by seven units per hour on Aug. 24. The plant assembles Century and Celebrity models.

GM's Framingham, Mass., plant, which is scheduled to begin 1988 output Sept. 14, will cut production of the Celebrity and Cutlass Ciera by four units per hour, and the Buick City plant in Flint, Mich., will reduce output of the LeSabre to one shift on Sept. 17.

GM closed three plants today for model changeover. They are: Pontiac, Mich., until Aug. 10; Bowling Green, Ky., until Aug. 17; and Van Nuys, Calif., until Aug. 17.

The following GM plants will resume output next week after being down for model changeover: Wentzville, Mo., on Aug. 3; Leeds, Mo., on Aug. 3; Lansing (No. 1), Mich., on Aug. 4; Buick City in Flint, Mich., on Aug. 4; and Lansing (No. 2), on Aug. 6.

Ford ended production of its rear-wheel-drive Continental at the Wixom, Mich., plant last week. The 1988 front-wheel-drive Continental is scheduled for introduction this fall.

Truck output steady at 67,778

Last week's scheduled domestic truck production of 67,778 was slightly below (0.34 percent) the previous week's 68,008 and 2.97 percent below the year-ago week's 69,855.

General Motors will permanently close its St. Louis plant Aug. 7; production of Crew Cab and extended-chassis models will be transferred to Janesville, Wis. Some employees will be transferred to GM's Wentzville, Mo., car plant.

GM last week added a second shift and 1,100 workers to its truck operations in Fort Wayne, Ind., where Chevrolet and GMC full-size pickups are built.

The Janesville plant will end production of Chevrolet and GMC R/V light-duty pickups on July 30. The plant will resume production Sept. 8, building Crew Cab and extended chassis models.

Car assembly climbs in Canada

Last week's targeted Canadian auto production of 8,237 was 79.03 percent more than the prior week's 4,601 but fell 19.71 percent from the year-ago week's 10,259.

Output during the last two weeks was affected by downtime at several assembly plants.

Estimated truck output of 7,516 units last week was 21.31 percent below the prior week's 9,551 but was 74.51 percent more than the year-ago week's 4,307.

Ford's Oakville, Ontario, plant will be idle until Sept. 21 for model changeover.

Chrysler Motors' Pillette Road plant in Windsor, Ontario, resumed operations today. The plant had been down since July 6.

CANADIAN CAR	Week Ended July 25, 1987	Week Ended July 26, 1986	Week Ended July 18, 1987	July to Date	Jan. 1 to July 26, 1986	Jan. 1 to July 25, 1987
AMERICAN MOTORS	0	0	0	163	2,382	3,095
FORD MOTOR	5,212	5,429	0	9,280	295,326	283,953
GENERAL MOTORS	2,400	4,605	3,881	17,392	328,967	161,541
HONDA	400	0	495	1,343	0	1,155
VOLVO	225	225	225	783	6,226	6,192
Total Cars, Canada	8,237	10,259	4,601	28,961	632,901	455,936

U.S. TRUCK☆	Week Ended July 25, 1987	Week Ended July 26, 1986	Week Ended July 18, 1987	July to Date	Jan. 1 to July 26, 1986	Jan. 1 to July 25, 1987
CHEVROLET	20,169	24,308	19,692	71,715	702,886	672,129
DODGE	0	2,339	2,702	8,932	51,998	141,731
FORD	29,678	29,700	28,949	58,627	814,885	839,144
GMC	8,601	7,426	7,806	27,027	211,909	220,979
NAVISTAR	0	0	0	806	40,127	40,037
JEEP	4,450	0	4,040	8,490	109,302	123,556
NISSAN	2,130	3,732	2,069	4,199	71,561	45,865
AM GENERAL*	450	50	450	1,620	1,462	7,560
MISCELLANEOUS*	2,300	2,300	2,300	10,280	66,240	66,400
Total Trucks, U.S.	67,778	69,855	68,008	191,695	2,070,370	2,157,401

CANADIAN TRUCK	Week Ended July 25, 1987	Week Ended July 26, 1986	Week Ended July 18, 1987	July to Date	Jan. 1 to July 26, 1986	Jan. 1 to July 25, 1987
AMERICAN MOTORS	0	545	0	1,161	16,170	18,081
CHRYSLER	0	0	4,236	13,228	227,108	239,258
FORD	3,496	0	0	5,255	61,859	87,075
GENERAL MOTORS	4,020	3,762	5,315	17,598	168,779	127,228
NAVISTAR	0	0	0	110	5,461	5,098
Total Trks., Canada	7,516	4,307	9,551	37,452	509,375	476,740
N. Am. Trucks	75,294	74,162	77,559	229,148	2,579,745	2,634,141

—Includes station van production. *—Estimated
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Quarterly estimates may not add to total due to rounding.

U.S. CAR	Week Ended July 25, 1987	Week Ended July 26, 1986	Week Ended July 18, 1987	July to Date	Jan. 1 to July 26, 1986	Jan. 1 to July 25, 1987
AMERICAN MOTORS	0	0	0	0	30,037	15,994
Renault Total	0	0	0	0	30,037	15,994
Alliance	0	0	0	0	26,690	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	4,800	15,028	6,718	35,943	796,667	625,791
Plymouth Total	1,100	5,694	128	5,791	237,067	185,361
Horizon	0	4,013	0	0	97,192	32,997
Sundance	0	1,316	0	2,384	4,257	56,294
Reliant	900	0	0	617	66,957	63,256
Caravelle	0	0	0	1,278	27,823	30,019
Gran Fury	200	365	128	512	10,838	2,793
Chrysler Total	2,400	3,209	5,051	19,164	254,383	212,556
Laser	0	0	0	0	27,239	0
LeBaron K	300	0	0	300	63,872	43,210
LeBaron J	0	0	3,142	8,877	0	70,194
LeBaron GTS	0	1,038	0	1,186	41,247	23,609
N. Yorker/E-Class	0	0	0	2,423	47,309	46,793
Fifth Avenue	2,100	2,171	1,909	6,378	74,716	28,550
Dodge Total	1,300	6,125	1,539	10,968	305,217	227,874
Daytona	0	0	1,029	3,219	30,807	33,909
Omni	0	3,327	0	0	93,998	28,363
Shadow	0	1,189	0	2,557	3,799	57,629
Aries	900	6	0	1,513	75,480	60,267
Dodge 600	0	0	0	1,246	46,756	26,922
Lancer	0	552	0	779	33,260	15,006
Diplomat	400	957	510	1,674	21,227	5,776
FORD MOTOR	32,576	35,673	29,490	62,066	1,028,130	1,085,076
Ford Division	24,202	24,305	24,325	48,527	704,755	769,985
Escort	7,973	7,937	8,660	16,333	219,426	212,789
Mustang	4,594	4,249	4,486	9,080	117,033	122,826
Tempo	0	4,103	0	0	113,603	99,830
Taurus	7,970	4,970	7,431	15,401	163,712	239,739
Thunderbird	3,665	3,046	3,748	7,413	90,981	94,799
L-M Division	8,374	11,368	5,165	13,539	323,375	315,093
Mercury Total	5,246	7,832	5,165	10,411	222,967	215,968
Lynx	244	1,421	237	481	36,992	21,135
Capri	0	203	0	0	10,791	0
Topaz	0	1,259	0	0	34,240	32,858
Cougar	2,403	1,885	2,506	4,909	69,346	85,387
Sable	2,599	3,064	2,422	5,021	71,598	76,588
Lincoln Total	3,128	3,536	0	3,123	100,406	93,125
Continental	0	403	0	0	11,304	9,610
Lincoln	2,606	2,651	0	2,606	75,825	74,694
Mark VII	522	482	0	522	13,779	14,821
GENERAL MOTORS	23,423	54,315	42,767	149,850	2,595,662	2,103,741
Buick Total	1,568	14,598	7,528	24,923	470,764	333,253
Skyhawk	0	0	0	577	53,159	16,451
Century	0	4,368	3,183	8,280	147,724	103,225
Regal	1,440	0	1,444	4,506	36,489	26,123
Somerset/Skylark	0	3,143	0	487	67,704	37,072
LeSabre (fwd)	0	4,887	2,799	9,603	85,910	80,693
LeSabre (rwd)	128	349	111	381	8,931	5,643
Electra (fwd)	0	1,004	0	1,072	54,977	53,545
Riviera	0	845	0	18	15,870	6,501
Cadillac Total	150	1,961	150	4,744	194,075	162,067
Cimarron	0	394	0	28	15,781	7,489
Allante	150	0	150	515	0	2,635
Brougham (rwd)	0	0	0	440	49,101	38,116
DeVille (fwd)	0	0	0	3,636	101,033	90,573
Eldorado	0	785	0	63	14,796	10,534
Seville	0	782	0	63	13,364	12,720
Chevrolet Total	16,812	13,926	21,177	71,829	796,976	807,747
Chevette	0	0	0	0	61,031	0
Camaro	4,501	0	2,049	10,166	115,869	67,717
Cavalier	0	4,187	4,451	11,418	248,857	204,851
Celebrity	0	3,089	4,372	12,016	159,932	192,484
Corsica/Beretta	8,000	0	6,118	25,043	0	170,649
Monte Carlo	1,178	2,205	973	3,602	67,947	41,135
Chevrolet	2,493	3,801	2,625	7,399	127,757	113,223
Corvette	640	644	589	2,185	15,783	17,686
Oldsmobile Total	2,708	15,337	3,258	16,672	645,193	390,450
Firenza	0	0	0	539	23,400	2,019
Calais	0	1,863	0	1,609	72,909	69,547
Cutlass Ciera	0	3,466	0	1,447	165,271	99,968
Cutlass Supreme	1,402	0	1,373	5,113	84,031	44,367
88 (fwd)	1,306	8,374	1,885	6,857	208,523	107,303
88 (rwd)	0	0	0	174	11,749	10,656
Olds 98	0	1,051	0	886	67,412	37,869
Toronado	0	583	0	46	11,898	10,127
Pontiac Total	2,165	8,495	10,654	31,681	488,654	410,224
Acadian*	0	0	0	0	9,864	0
Fiero	0	0	0	0	44,332	20,689
1000	0	0	0	0	11,792	0
Firebird	965	0	1,192	4,314	70,440	46,427
2000 Sunbird	0	148	0	0	84,198	60,295
Grand Am	0	4,933	4,166	13,266	134,394	149,576
6000	0	3,300	1,999	5,048	92,450	48,689
Bonneville	1,056	0	3,173	8,481	0	78,687
Safari/Parisienne	164	114	124	573	41,184	5,861
HONDA	6,741	4,833	6,208	23,376	110,786	190,467
Civic	2,081	0	1,748	7,385	0	63,424
Accord	4,660	0	4,460	15,991	0	127,043
NISSAN	2,600	0	2,633	5,233	21,517	74,815
NUMMI	3,750	3,832	3,986	13,639	116,877	112,733
Corolla	750	0	891	2,927	0	23,471
Nova	3,000	0	3,097	10,713	0	89,262
VOLKSWAGEN	0	0	0	2,666	50,282	43,129
Golf/GTI	0	0	0	2,266	0	34,775
Jetta	0	0	0	400	0	8,354
Total Cars, U.S.	73,890	113,681	91,804	282,773	4,749,958	4,251,748
Total Cars, Canada	8,237	10,259	4,601	28,961	632,901	455,936
N. American Cars	82,127	123,940	96,405	321,734	5,382,859	4,707,684
N. Am. Trucks	75,294	74,162	77,559	229,148	2,579,745	2,634,141
North American Cars and Trucks	157,421	198,102	173,964	550,882	7,962,604	7,341,825

*—All Alliances are built for sale in Canada.

Curbs asked on New York auto brokers

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — State Attorney General Robert Abrams has called on the state legislature to enact laws regulating the activities of auto brokers in New York state. He wants brokers to hold customer deposits in an escrow account.

The move followed an announcement that his office had obtained a court order freezing the assets of a New York City auto broker charged with bilking approximately 100 consumers nationwide of more than $700,000 since 1985.

Abrams obtained a court order earlier this month against Automobile Buyers Network. The firm is temporarily barred from advertising as an auto broker in this state and from soliciting advance payments from consumers pending results of an Aug. 17 hearing.

Repeated attempts to contact Automobile Buyers Network were unsuccessful; no one answered the telephone.

The attorney general is seeking restitution for consumers and is seeking to bar the company from doing business in New York unless it posts a $750,000 security bond.

The issue was brought to the attorney general's attention by the Better Business Bureau, which had been attempting to resolve many of the complaints.

Abrams proposed legislation that "would protect consumers' deposits by mandating that they be placed into interest-bearing escrow accounts. Brokers would only have access to the deposit after the car is delivered or for repayment to consumers." In the Automobile Buyers Network case, Abrams said the company falsely offered foreign cars, including Mercedes-Benz, Porsche, Saab, Audi and Volvo, at savings of up to $22,000 in various national publications.

According to Abrams, the company required an advance deposit of at least 20 percent of the agreed purchase price plus a 3.3 percent fee. It assured consumers they would receive prompt refunds if cars proved to be unavailable.

Abrams said some customers paid in full for vehicles that they were assured were available for immediate delivery. He said the cars were not delivered, and customers did not receive refunds.

Output of Lynx to end Aug. 14

DETROIT — After seven years of production, Ford Motor Co. will build its last Mercury Lynx model Aug. 14.

The Lynx has been replaced by the Mexican-built Tracer. Though the Tracer went on sale in March, limited quantities of the Lynx are being produced through the end of the model year.

Lynx output ended earlier this month at Ford's Wayne, Mich., plant and will end Aug. 14 in Edison, N.J., a spokesman said. Capacity is being taken up by the Ford Escort, a sister to the Lynx. The two lines were introduced in 1980.

Through the first half of the year, Escort was the nation's top-selling domestic car. In 1986, it outsold the Lynx by a margin of more than 6 to 1 — 402,181 to 65,497.

— David Versical

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AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

Faces of the World Congress, from left: Carl Olsen of the Center of Creative Studies, Dealer Ronald Tonkin and Michael Kimberley of Lotus

WORLD CONGRESS: *Industry examines responses to escalating competition*

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

Focusing on the flood of new nameplates, additional new worldwide capacity and innovations in retailing, the 12th Annual Automotive News World Congress provided more than 500 industry executives with a glimpse of a rapidly changing and intensely competitive future.

"By 1991 there will be 15 automakers here (in the United States) compared with four 10 years ago," Robert E. Mercer, chairman of Goodyear Tire & Rubber Co., told the opening-night session, and he noted that "right along with them are coming new aggressive transplant suppliers."

He added, "Timid U.S. manufacturers with average cost and quality will become marginal competitors alongside more aggressive and efficient American and foreign companies."

Meeting that competition head-on with product alone, however, is not enough, Gerald Greenwald, Chrysler Motors chairman, said in his keynote address.

"We in American industry have to do our part," he said, adding that a "competitive manifesto" should be adopted. "This manifesto should include a proclamation of productivity, a declaration of quality and a treatise on customer service," Greenwald said.

The dizzying array of product already in the marketplace means that "the customer is king," said J. David Power III, president of J.D. Power and Associates, a California marketing and consulting firm. Power added that he expects incentives to remain a fact of life for automakers for the forseeable future.

Edward Hagenlocker, vice president and general manager of Ford's truck operations, estimated that "by the mid-1990s, we expect car and truck manufacturers to have capacity in place for more than 20 million vehicle sales in the United States alone.

see CONGRESS, page 47

Robert Sinclair of Saab, left, told a World Congress audience: "My job, the way I see it, isn't work at all. It's fun. It helps, of course, if your company's making money." Sinclair showed off a 900 convertible at the World Congress.

Toyota seen eyeing huge Brazil stake

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Usually reliable reports say Toyota is contemplating a massive $2.4 billion investment in car and component plants in Brazil — its first of any significance in the country and its most aggressive outside Japan.

Despite official denials by Toyota in Japan and Brazil, the reports should not be taken lightly. A strong production position in Brazil, which is not likely to face U.S. trade restrictions for many years because of the billions it owes U.S. lenders, could provide Toyota a protected beachhead for U.S. access if further restrictions are imposed on Japanese imports.

In addition, in the face of rising yen values, a Brazilian base could provide Toyota a lower-cost source of small, low-priced cars for sale in North America.

Brazil has been trying to attract Japanese investment for many years. President Jose Sarney recently announced that financially attractive export production zones will be established around the country as part of a broad plan to reduce Brazil's $112 billion foreign debt.

In Japan, Prime Minister Yasuhiro Nakasone has promised to make $30 billion a year available for International Monetary Fund-approved projects in the developing world. The move follows criticism from other world leaders of the buildup of Japan's foreign trade surplus, now estimated at $93 billion.

Luiz Carlos Bresser Pereira, Brazil's finance minister, said in Washington that his country is preparing to make an agreement with the IMF on debt repayment. That would open the door for Brazil to receive $1 billion annually of the promised $30 billion overseas investment by Japan.

see TOYOTA, page 4

GM banks on new car for rebound drive

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Oct. 1 debut of the Buick Regal marks the start of the largest new-car program in General Motors history — and one of the most critical.

The Regal is the first of a new family of midsized cars, code-named GM10, to be introduced. The Oldsmobile and Pontiac versions will follow the Regal in late winter, and Chevrolet's version debuts in the 1989 model year.

The GM10 cars are aimed at the heart of GM's market. GM's midsized cars accounted for 1.6 million units, or 35 percent of GM sales in calendar 1986. Nonetheless, GM has seen its entries in that segment lose sales to the imports and to Ford's popular Taurus and Sable.

GMers involved with the program, dealers and industry watchers know GM10 is critical to turning the automaker around and regaining lost market share.

As one dealer said, "If these cars flop, we're in serious trouble."

see GM10, page 8

GM 10	Replaces	Assembly Plants	Announcement Dates
Buick Regal	Initially G-body Regal; eventually A-body Century	Oshawa, Ontario #2	Oct. 1, 1987
Oldsmobile Cutlass Supreme	Initially G-body Cutlass Supreme; eventually A-body Cutlass Ciera	Fairfax, Kan.	March 1988
Pontiac Grand Prix	Initially G-body Grand Prix; eventually A-body 6000	Doraville, Ga.	April 1, 1988
Chevrolet (No Name)	Initially G-body Monte Carlo; eventually A-body Celebrity	Oshawa, Ontario #1	1988 model year

Plastic pickup box slated for 1990s

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Big 3 auto manufacturers are developing pickup trucks that will make use of plastic composite materials in the pickup box and possibly in other areas.

Ford Motor Co. is developing a next-generation pickup truck, scheduled for the 1993-1994 time frame, which may have a composite plastic pickup bed and plastic cab components. Also, the company plans to begin fleet-testing composite pickup beds on existing platforms over the next few years.

Chrysler Motors is looking to develop a composite pickup bed for a low-volume model in the 1992-1993 time frame.

General Motors is also experimenting with composite pickup truck beds.

James K. Reinker, manager of advanced automotive development for DiversiTech General, a major manufacturer of composite plastic components, said composites promise to reduce the number of parts in the pickup bed, eliminate the need for anti-corrosion measures and reduce weight.

"A steel pickup box has a tremendous number of parts that are welded together," he said. "A molded composite box would reduce those parts."

A Ford engineer, who asked not to be identified, added, "It's safe to say that we will see a fair number of demonstration pieces, in (increasingly larger fleet tests) over the next few years.

"The first production application will be, logically, in a 10,000- to 20,000-volume model."

The Ford engineer said a next generation pickup

see PLASTIC, page 4

Lotus establishes design facility — Page 2

Mercedes, BMW enter incentive arena — Page 4

GM cuts 50,000 units for third quarter — Page 59

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UAW seeks to close loopholes in job protection

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The UAW hopes to devise an innovative job security system aimed at closing loopholes in programs that local union leaders say have allowed thousands of jobs to be lost to non-UAW plants and foreign countries.

In negotiations that began last week, the UAW is seeking to beef up or replace General Motors' Job Opportunity Bank.

The union has not made public the demands it presented to Ford Motor Co. last Thursday. But at the National Ford Council meeting in June, the union said that Ford's Protected Employee Program is also targeted for revision.

The new job security system would guarantee the jobs of the approximately 490,000 workers at GM and Ford. The labor contracts at those companies expire Sept. 14.

GM and Ford have not rejected the union's demand out of hand. On the contrary, Peter Pestillo, Ford vice president — employee and external affairs, said, "The union's goal of job security has never been a conflict to us. . . . It's very clearly our intention to provide work."

GM Vice President Alfred Warren, the company's top negotiator, said he understood the union's principle, but he added, "Whatever we do cannot make us less competitive than we are."

Analysts have said that Ford — which cut 100,000 workers from its rolls in the downturn from 1979 to 1982 — will find it easier to guarantee jobs than GM. GM said it wants to jettison production of 10 percent of its components that are not competitive.

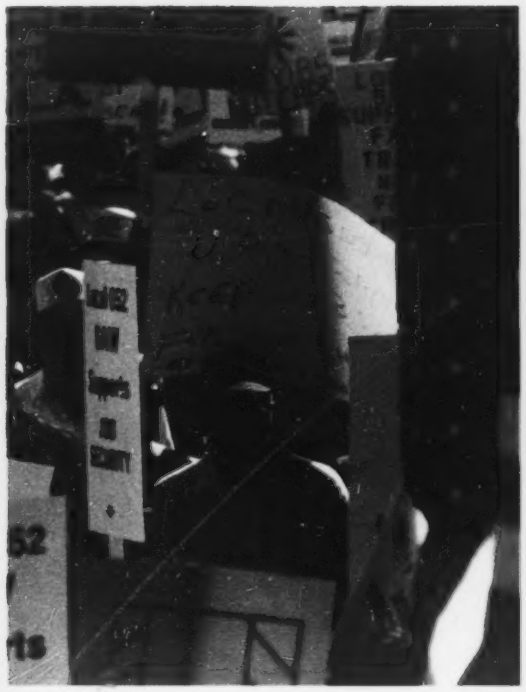
Both the job bank and employee protection programs were designed to shield workers laid off for certain specific reasons by giving them training or finding other work for them in the corporation.

The circumstances under which employees are covered include work reduction due to new technology, outsourcing, productivity improvements and transfer or consolidation of operations. But employees are not entitled to move into the programs if their work is cut because of volume reduction.

"That's one of the major problems we're trying to solve," said Donald Ephlin, UAW vice president and head of the union's GM department.

Jobs lost through attrition also do not create slots in the job bank.

GLENN TRIEST



GLENN TRIEST

Clockwise, from top: Ceremonial handshake between Ford Vice President Peter Pestillo, right, and UAW President Owen Bieber begins the contract talks at Ford; UAW demonstrators march around GM Building as talks get underway; GM Vice President Alfred Waren, left, and Bieber begin the talks at GM. The UAW is seeking to beef up or replace GM's job bank. The union has not made public the demands presented to Ford.

And one unforeseen wrinkle in the job bank, negotiated in 1984, was the split of the Canadian Auto Workers from the UAW in 1985. The transfer of work to GM plants in Canada does not create slots, although it is now considered outsourcing by the UAW, since it can result in UAW members losing their jobs.

A Ford spokesman declined to provide details on the protected employee bank at this stage of the negotiations. But according to Steve Wyatt, treasurer of Local 600, which represents Ford's Rouge complex, U.S. workers who lose their jobs when work is transferred to Ford plants in Canada qualify for that bank providing the Canadian plants don't get additional jobs as a result of the transfer of work.

With the increasingly attractive production costs in Canada, the UAW foresees more outsourcing of its work there.

"The labor cost differential is probably greater between us and Windsor today than between us and Hiroshima (Japan)," Ephlin said. The labor cost advantage in Canada is generally put at $8 an hour (U.S.).

"It's the biggest loophole" in the UAW's safety net for workers, said Clayton Moll, president of Local 668, representing GM foundries in Saginaw, Mich.

Moll said hundreds of jobs in Saginaw have been lost to a GM foundry in St. Catharines, Ontario, and to other locations without placing an equal number of Saginaw workers in the job bank.

The Canadian foundry "has two main advantages" over GM foundries in Saginaw and in Ohio, Illinois and Indiana, Moll said.

"The first is national health insurance and the second is a 30 percent differential" in the exchange rate.

Moll said the Saginaw foundries will continue to lose work to Mexico and countries like Brazil without corresponding job bank slots being created because GM has "manipulated language" in the agreement. He said GM treats the transfer of Saginaw work to foreign countries as "volume reduction."

John Coale, president of Local 662 at GM's Delco Remy Division in Anderson, Ind., said that the complicated language of the job bank makes it difficult for locals to "identify the qualifying event" enabling laid-off workers to move into the program.

Coupled with loopholes in the job bank, Moll said another way the company erodes U.S. jobs is through Paragraph 96 in the national agreement. That provision prohibits workers from following their jobs if they are moved outside the United States, he said.

About 880 workers are currently laid off from the Saginaw foundries due to those loopholes, Moll said. Those workers do not qualify for the JOB bank, he said. Moll said he demonstrated in front of the GM building last week in total support of the international in its program to keep GM from eliminating jobs.

Both Ford and GM have plans to continue outsourcing in the United States and abroad. They say it is essential to remain competitive. Pestillo said, for example, that Ford can't build a small car like the Festiva profitably in the United States.

But he said that foreign sourcing and the union's goals are not in conflict. He said he believes that the UAW's priority is securing work for its members.

Foreign sourcing will not be a burning issue, "if we can keep our plants filled," Pestillo said.

But UAW president Owen Bieber blasted the automakers at press conferences last week, claiming their expanded activities with foreign producers showed irresponsibility to American workers and their communities.

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Reatta plant eyes bigger role

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

LANSING, Mich. — The Buick Reatta plant plans to attract more of General Motors' low-volume specialty-vehicle business with the anticipated success of the Buick two-seater.

The Lansing plant, now called the Reatta Craft Centre, was previously the Oldsmobile Axle and Forge Plant. It is now in the pilot production stage of the Reatta, a two-seat luxury car that will not be shared by other divisions.

J. Robert Thompson, Reatta program manager and plant manager, said he hopes the Reatta is just the beginning. The plant's long-term goal is to become GM's assembly plant for specialty vehicles with volumes of 15,000 to 40,000 units annually.

The Lansing plant also will serve as GM's incubation center for new ideas in management style, labor-management relationships, manufacturing processes and supplier relationships.

Reatta production begins in the fall, and the car goes on sale after the first of the year. The car is expected to be priced between $25,000 and $30,000, and sales volume is expected to be 25,000 to 30,000 units annually.

The plant's low volume allows GM to try new ideas with minimum risk, Thompson said.

Already some new ideas are being tried out.

UAW Local 1618, which represents 650 workers, has formally adopted the team concept of production. Teams of five to 15 people learn each team member's job and rotate through those jobs. The employees have more authority and more responsibility than in traditional plants.

The manufacturing process at the Lansing center is totally different from the manufacturing process in GM's high-volume assembly plants. There is no traditional assembly line. The car in its various stages of build-up is carried on an automated guided vehicle.

An overhead monorail drops the body onto the chassis, carried on an automated guided vehicle. The vehicle then travels to a series of work stations, called the Premier Center by workers.

see REATTA, page 22

GM plans overtime for Corsica/Beretta

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors plans to schedule overtime at the two Chevrolet Corsica/Beretta assembly plants. The plants are in Wilmington, Del., and Linden, N.J.

Robert Burger, Chevrolet general manager, said the overtime will be implemented "sometime soon." He said it is needed because of increased demand for the new cars.

"We're selling them at a rate of 1,600 a day and we're only building 1,400 a day now," Burger said. Even though demand is rising, Burger said incentives will continue, primarily because of similar programs offered by the competition.

"You need to keep things on even terms," he said. "You're not going to get away from incentives until you can get everyone in the industry away from them."

Burger was here to participate in an annual meeting of the Future Farmers of America sponsored by Chevrolet.

Recreational Vehicle Wholesale Deliveries

1987	May 1986	May change	% 1987	5 months 1986	5 months change	%
Travel trailers	7,800	7,700	+ 1.3	43,600	40,600	+ 7.4
Folding camping trailers	3,800	3,000	+26.7	18,300	16,600	+10.2
Truck campers	1,000	800	+25.0	4,700	3,200	+46.9
Towable RV total	12,600	11,500	+ 9.6	66,600	60,400	+10.3
Conventional (type A)	3,500	2,900	+20.7	16,900	14,300	+18.2
Van Campers (type B)	500	700	−28.6	2,800	2,700	+ 3.7
Chopped vans (all)	2,800	3,100	− 9.7	12,600	12,200	+ 3.3
Motor home total	6,800	6,700	+ 1.5	32,300	29,200	+10.6
Van conversions	18,400	17,700	+ 4.0	81,500	84,300	− 3.3
TOTAL ALL RVs	37,800	35,900	+ 5.3	180,400	173,900	+ 3.7

Source: Recreation Vehicle Industry Association.

RV shipments climb 5% for May; 5-month total shows 3% advance

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

RV wholesale shipments totaled 37,800 in May, a 5.3 percent increase over May 1986.

The year-to-date total reached 180,400 units, up 3.7 percent over the figure for the first five months of 1986. Seasonally adjusted, they represented an annual sales rate of 408,000, according to the Recreation Vehicle Industry Association.

Van conversion shipments totaling 18,400 in May were up 4 percent from like 1986.

Their year-to-date total of 81,500 was 3.3 percent below last year's, according to RVIA, but it is progressively moving toward last year's level.

Van chassis shipped with seat-delete options by the major Detroit manufacturers to van customizers continue to portend strong future shipments of customized vans to dealers.

In May, Chevrolet, GMC, Ford and Dodge shipped 20,700 vans with the seat-delete option to customizers, a 31 percent increase over the 15,800 shipped in May 1986.

In the first five months of this year, the four major domestic makers shipped 92,600 vans with seat deletes to customizers, a 26.3 percent gain over 73,300 in the 1986 period.

Of the May seat-delete van shipments, 3,700 were compact vans, a 19.4 percent gain over 3,100 shipped in 1986. Year-to-date, domestic automakers shipped 16,700 compact vans without seats to customizers, a 21.9 percent gain over 13,700 last year.

In May, domestic auto firms shipped 17,000 full-sized vans without seats to customizers, a 33.9 percent gain over 12,700 last year. The five-month total was 75,900 such vans, a 27.3 percent gain over last year.

In May, manufacturers wholesaled 12,600 towable RVs, up 9.6 percent from last year.

The industry also wholesaled 6,800 motor homes in May, up 6.6 percent from a year ago.

Warranties puzzle dealers, buyers

Salespeople want van converters to provide more information

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Van-conversion customers most commonly ask what a unit costs, its towing capability and the kind of conversion company that produced the unit — its history, reputation and warranties.

Those are among the findings of a 10-city dealership survey by Burson-Marsteller for the Recreation Vehicle Industry Association.

The survey of dealership-only personnel was part of the agency's efforts to help promote sales of van conversions (see related story).

The survey found that warranties have caused some confusion among dealers and consumers.

For instance, Ford gives a warranty on the engine, chassis and other mechanicals. The interior luxuries, such as TV, bed and carpeting, are typically warranted by the converter.

Van converters, however, often aren't very clear about what's under contract and what's not. To complicate matters, some dealers buy van conversions through out-of-state conversion houses. Therefore, they say, they sometimes must commission a local factory to guarantee the interiors.

Most salespeople feel that improving the information about warranties would enhance customer relations and purchases.

The survey also found that minivans are cutting into the van-conversion market. Sales representatives have noticed the floor traffic moving in that direction. Since minivans cost less and are perceived as upscale, trendy vehicles, consumers are finding them attractive.

On the flip side, many dealers recognize that increased traffic flow is an opportunity to sell more van conversions. The minivan is bringing into the dealership consumers who never would have considered van conversions before.

Converted vans need greater visibility in view of the strong consumer interest generated by minivans, the survey concluded.

Dealership sales personnel said that most van-conversion buyers know they want such a unit before visiting the dealership.

Already having the model in mind, customers then choose option packages.

It's rare that a customer can be switched to a different vehicle, and in those instances he usually has been in the market for a station wagon or regular van.

Basically, dealership salespeople don't put a lot of effort into selling converted vans, the survey found.

They regard them as "pre-sold" items and take a "back-seat" approach to selling them.

The survey found that salespeople regarded van-conversion customers as people who were not impulse buyers, but knew that they wanted a specially equipped vehicle and had been thinking about their purchase for a long time. Buyers were described as concerned with engineering and quality of construction, brand-loyal and willing to spend money for extras.

When salespeople did make points about a van conversion, it was usually about the unit's smooth ride, its driving ease and spaciousness and the reputation of the conversion house that produced it.

Dealerships almost always get information about the conversion units from the conversion companies, rather than from the van manufacturers.

Conversion houses provide dealerships with brochures, price indexes and option-package information. Additionally, converters' representatives frequently visit the car dealerships to conduct seminars on the features of the van and available floor plans.

One interesting sales technique was used by an auto dealership in Jacksonville, Fla.

Since the van converter is located near the dealership, one sales representative takes her potential customers to the factory to view the actual assembly. Customers are able to query the van converter's management about engineering and interiors.

Sales representatives generally feel they receive ample information from converters to sell the vehicles, the survey found. Aside from wanting warranties to spell out specifically what's covered on interior extras in the vehicle, the only time they feel they need additional information is when something new is introduced in the van-conversion market.

In terms of additional marketing tools, sales representatives said anything that would help "liven up" their sales presentation would be welcome.

Profile of van-conversion buyer loaded with sales tips

NEW YORK — Van conversions represent the fast-growing segment of the overall RV market and show the greatest future growth potential.

But to penetrate that sizable and profitable market, van conversion dealers should learn the demographics, psychographics and lifestyles of prospective buyers to improve their sales effectiveness, a Burson-Marsteller study concludes.

The study, prepared for a Recreation Vehicle Industry Association promotion (see related story), pointed out that baby-boomers are prime targets for van conversion sales.

The average age of a van conversion buyer is 35 to 45, according to the study. Some 27 percent of buyers are in that range.

Dealers are advised to go beyond their lots and promote van conversions, emphasizing the benefits of the lifestyle for young, active families.

Demographics show that 75 percent of van conversion owners are married, 85 percent are homeowners and they are more likely to take family vacations than most Americans.

In their marketing efforts, dealers are advised to point out that van conversions encourage family togetherness by enabling families to travel affordably.

The study revealed that most van conversion owners are employed full-time in white-collar positions, with incomes averaging between $25,000 and $49,999, exceeding the national average.

When selling to people in that income bracket, dealers are advised to emphasize the value and benefits of van conversions.

The study also found that a high percentage of van conversion owners live in the most populous areas of the United States and take shorter vacations.

Some 36 percent live in the East Central and West Central regions. About 19 percent live in the Southeast and 19 percent on the Pacific Coast.

Dealers are advised to know the vacation attractions and campsites in their areas and use them as selling points, emphasizing the convenience and excitement of short trips.

Typically, van conversion owners are goal-oriented achievers, the study found.

It is important to them to be in control of their destinations and the amount of money they spend on vacations.

Dealers are urged to point out that on van conversion vacations, expenses can be budgeted prior to the trip, giving travelers complete control of their journeys.

Typically, achievers enjoy camping and are outdoor- and sports-oriented. Therefore, dealers should emphasize how van conversions complement that lifestyle.

Van conversion buyers are also value-minded, conservative spenders. They shop about 5.6 dealers on average. They know brand names and features. And their primary purchasing concerns are price, quality and interior design.

Therefore, dealers should sell aggressively, addressing buyer concerns to outsell the competition, the study said.

Van conversion buyers want new, not used, vehicles.

They tend to upgrade within product categories, are trend-conscious, look for high-tech features and typically buy on impulse for small "extra" items.

Therefore, dealers should focus on new van sales, highlighting special features and pitching impulse items and extras, the study advised.

Van conversions also can be sold as third cars, the study pointed out.

More than half of van owners already have two cars, so their van conversion serves as a leisure and transportation vehicle.

Dealers can stress the value of vans for carpooling, moving large items and transporting the family on long trips.

They should also stress convenience.

Vans enable families to travel without a lot of planning, for example, with the flexibility to alter vacation plans in mid-course, if necessary.

The vans are always ready to go, eliminating the need to book hotel rooms or plane reservations or worry about anything more than routine maintenance.

RVIA adopts communications program to spur growth of van-conversion market

RESTON, Va. — The Recreation Vehicle Industry Association's public relations agency, Burson-Marsteller, is launching a marketing communications program to expand the van conversion market.

The 1987-1988 program was approved by RVIA's board of directors at its June meeting in Arlington, Va.

Differences between dealer networks for traditional RV products and van conversions convinced the RVIA's Custom Van Conversion Committee that it should seek a targeted communications approach to promote van sales.

The van conversion communication program consists of two phases: market research and media relations. Its target audience is not only the consumer, but also auto dealers who may need additional incentives or information to market the product effectively.

To develop a thorough understanding of the current environment for van conversions, including the complete marketing and selling process, Burson-Marsteller conducted a study of the van conversion market.

The results of the research will be made available to van converters, dealers and General Motors, Ford and Dodge. It includes a profile of van conversion buyers — why they buy them, how they use them and how their purchase may influence their purchase of a traditional RV product in the future.

The media portion of the van program is twofold.

First, Burson-Marsteller will use the same USA Today "advertorial" approach it used successfully to kick off the RVIA's industrywide market expansion program in 1986.

A van-specific advertorial combining editorial content and advertising to generate consumer interest in van conversions will appear in a late September issue of the newspaper, which has circulation of 4.5 million.

Publication will be timed to the introduction of 1988-model van conversions. Reprints will be available to dealers for use as consumer handouts.

Highlights of the advertorial will be repackaged for distribution to the estimated 24,000 persons who will attend the National Automobile Dealers Association convention next February.

Scott Chapman, president of Bivouac Industries in Vandalia, Mich., and chairman of RVIA's Custom Conversion Committee, said the committee is exploring a number of ways to achieve high visibility for van conversions at the NADA convention.

A Trade News Bureau is also being formed to stimulate an exchange of information among van conversion dealers.

U.S. ports spend millions to lure more imported vehicles

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Competition among the nation's leading ports for the lucrative auto import business is mounting as more and more imported cars pour into the U.S. market.

Auto analysts predict that domestic automakers will boost the number of captive imports from 160,000 in 1986 to 550,000 by 1990. More Third World nations will try to muscle into the U.S. market and, spurred by success, newcomers like Hyundai will continue to increase exports.

Census bureau figures and analysts say that some 4.2 million cars and light trucks were processed in 1986. Figures from port officials set the number at roughly 4.3 million, but that includes tractors and heavy trucks.

Port officials and industry analysts expect the number of imports to increase to about 4.5 million cars and light trucks by 1990, sparking wholesale expansion at nearly every U.S. port that has auto import business.

Private terminal owners, port authorities and state governments are spending millions to expand and improve their facilities for storing and processing vehicles.

And on the West Coast, port officials are gearing up for the next wave in the automobile import business — "knockdown auto parts" shipped in containers to the Japanese assembly plants in the Midwest.

On Sept. 25, the Philadelphia Port Corp. will open its $14 million auto import facility on 50 acres without a contract with a major automaker.

W. Henry Colson, director of the Maritime Division at the Jacksonville, Fla., port, said $6 million will be spent this year to add about 50 acres of paved and lighted parking for vehicle handling and storage.

Baltimore will begin construction of a $15 million port facility for Toyota and, in Virginia, plans are under way for a $4 million expansion of the Portsmouth Marine Terminal in an effort to attract the European automakers.

The Newark (N.J.) Port Authority will add 144 acres to the existing 220 acres devoted to auto imports by the fall of 1988 at a cost of $31 million.

Howard Schmidt, principal property representative for the port, said: "We are wondering if we will be able to keep pace with the autos coming into this country. There will be a lot more activity in the luxury lines, and the domestics will continue to increase their captive imports."

The Port Authority in Houston spent $1.8 million to pave and light an additional 10 acres this year, bringing the number of acres devoted to autos and trucks to 197. A $2.9 million project is under way at the Wilmington, Del., port to add 34 acres to the existing 52 acres used for vehicle storage.

In Richmond, Calif., port officials are spending about $14 million to nearly double vehicle import capacity to 124 acres from 66 acres. The port of Los Angeles plans to expand capacity by 47 acres.

A processor at the Narragansett Bay Ports in Providence, R.I., is spending $1 million to clear an additional 30 acres to add to the existing 40 acres for imports, and a processor at the Massachusetts Port Authority in Boston is adding another building and five acres at a cost of $1.4 million.

Although some port officials and auto industry analysts say part of the widespread expansion is due to an expected influx of new cars from Third World nations, others say the ports will be snatching accounts from one another.

"There are a lot of new makes entering the U.S. from Asia, Taiwan and even Yugoslavia," said Howard Gable, president of International Auto Processors at the port in Brunswick, Ga.

"Our business will come from other ports," he said. "We have the room, and some importers are looking for a new home. None of the ports will close their automobile terminals, but they will be forced to share their cars."

Brunswick is a relative newcomer to the imported-car scene. It began operations last fall, processing an estimated 6,000 cars. In 1987, Gable said, the company expects to process more than 56,000 vehicles.

Port officials have designated 500 acres for automobiles, with 63 acres currently being used. International Auto Processors said it will exercise its option on another 48 acres by the end of this year. A second dock costing $6.8 million is planned for the port and a third is on the drawing board.

U.S. AUTO PORTS

	1986 Imports	1987 Forecast
Jacksonville, Fla.	565,000	608,000
Newark, N.J.	534,000	534,000
Los Angeles	517,000	480,000
Baltimore	428,000	520,000
Long Beach, Calif.	426,000	421,000
Portland, Ore.	411,000	411,000
Houston	276,000	260,000
Benicia, Calif.	194,000	200,000
Tacoma, Wash.	167,000	200,000
Hueneme, Calif.	120,000	120,000
Seattle	118,000	116,000
Boston	102,000	110,000
Providence, R.I.	100,000	120,000
Portsmouth, Va.	96,000	77,000
Richmond, Calif.	88,000	110,000
Wilmington, Del.	75,000	100,000
Albany, N.Y.	46,000	34,000
Oakland, Calif.	32,000	34,000
San Francisco	16,000	16,000
Brunswick, Ga.	6,000	56,000
Philadelphia	4,600	N/A

Figures supplied by ports.

The company scored an impressive coup last October by winning BMW away from Jacksonville after the company said air pollution damaged its cars. Said a Jacksonville port official: "The number of cars didn't amount to much, but losing an account with the name recognition of BMW has hurt us."

Dave Hvzidos, general manager of Jacksonville's Blount Island facility, agreed that the competition for automobile import business is growing. "Not all ports can get involved — you need plenty of room," he said.

Jacksonville has the largest share of the import auto business with 120 acres for imports at its Tallyrand facility, 900 acres at its Blount Island facility and 55 acres leased to Toyota.

Automotive imports are a revenue plum. In 1986, about 565,000 cars and trucks entered the United States through Jacksonville, pumping $174 million into the local economy in wages and taxes. Ports charge wharfage fees and lease land to auto processors, who prep the vehicles and install accessories after they are unloaded from the ships.

The Jacksonville Port Authority is a quasi-public agency, so decisions on capital expenditures are made on a project-by-project basis. Said Hvzidos: "Many ports are funded through taxes while we are funded through the revenues that we generate. We can't make improvements based on speculation — we have to get the business first."

Most major East Coast ports predict a gain in car and truck imports this year over 1986. An exception is Newark, which expects business to remain roughly the same. Most West Coast ports also expect an increase (see accompanying table).

In Houston, port authorities say business is lagging behind last year's by approximately 5 percent. They expect a drop to 263,000 vehicles from 276,000 a year ago.

"The imports are still coming in," said a spokeswoman for the Narragansett Bay Ports. "If the importers can't sell them, they will have to to store them someplace. There is already an overage problem in New Jersey, and there have been some diversions of cars here to Providence."

Francois Elmaleh, general manager, Portland (Ore.) Automobile Import Division, said fewer cars will be coming through the East Coast ports.

"Some Japanese automakers are experimenting with land bridges from Portland to New York," he said.

Elmaleh said that cars will be transported by rail to East Coast ports for distribution. "Basically, I think the port game now is to swipe what you can from other ports," he said.

When Honda built its plant in Ohio, port officials feared import volume would decline. "Honda didn't reduce the volume at this port and Toyota is signing long-term leases, too," said Elmaleh.

David Healy, analyst with Drexel Burnham Lambert Inc., New York, said: "There are a lot of professional optimists pushing Third World cars around here. I hope they (port authorities) are not depending on projections that 200,000 cars made in Greece will be sold in the U.S."

Ted Sullivan, of Wharton Economics in Pennsylvania, said: "Imports are expected to increase and the source will be Third World products. We project 3.5 to 3.6 million import cars and 930,000 light trucks by 1990, and that could be a conservative estimate."

He indicated that the port expansions could be related to the auto parts boom as more and more Japanese automakers ship containers of knockdown auto parts for assembly at their U.S. plants.

Hvzidos agreed. "Knockdown auto parts is the next big wave for ports in the automobile business," he said, "but they will go to the West Coast and will be shipped by rail to assembly plants in the Midwest."

Michael M. Luckey, of Shearson Lehman Brothers, New York, said the ports could be playing a market-share game expanding and modernizing to curry business from other ports.

However, he predicted that import cars will be in the 3.5 million to 4 million range by the end of the decade even though Japanese imports are expected to show a retreat from the market. He said the decline in Japanese imports will be filled by vehicles from Korea, Taiwan, Brazil and other Third World nations.

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AJR, a San Diego-based customizer, says its 930S package gives a Porsche a "slope-nose look" with flared fenders, air dam, rear tail, brake cooling ducts and steel rocker panels.

AUCTION DATES

General Motors

Aug. 4 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and 166 Auto Auction, Springfield, Mo.

Aug. 5 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Aug. 6 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Aug. 11 — Florida Auto Auction of Orlando, Ocoee, Fla.

Aug. 12 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Aug. 13 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Aug. 18 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Aug. 19 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Aug. 20 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Aug. 25 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 26 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Aug. 27 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Kent, Wash.

Used Car Sales
Auction Averages

July Total	$6,030
Month ago	$5,922
Year ago	$5,196

Model Breakdown
Auction Averages

	JUL 1987	JUN 1987	MAY 1987
1987	$11,512	$11,113	$11,046
1986	$9,032	$9,187	$9,287
1985	$7,394	$7,191	$7,194
1984	$5,756	$5,727	$5,718
1983	$5,081	$4,852	$4,873
1982	$3,684	$3,687	$3,705
1981	$2,642	$2,680	$2,705
1980	$2,068	$2,134	$2,141
Overall Average	$6,030	$5,900	$5,871

American Motors

Aug. 4 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Aug. 5 — Columbus Auto Auction, Columbus, Ohio; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Kansas City Auto Auction, Kansas City, Mo.

Aug. 6 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Aug. 11 — D-A Auto Auction, New Stanton, Pa.

Aug. 12 — Minneapolis Auto Auction, Plymouth, Minn.

Aug. 13 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Aug. 14 — St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Corp.

Aug. 4 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Aug. 5 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Ford Motor Co.

Aug. 4 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 5 — Northway Exchange Auto Auction, Clifton Park, N.Y.; Indianapolis Auto Auction, Indianapolis; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Aug. 6 — Nashville Auto Auction, Nashville, Tenn.

Aug. 12 — Atlanta Auto Auction, Red Oak, Ga.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

Aug. 13 — Dallas Auto Auction, Dallas; Skyline Auto Exchange, Fairfield, N.J.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

Aug. 19 — Concord Auto Auction, Acton, Mass.

Auctions operators plan collector sale

LANCASTER, Pa. — A merger agreement has been signed by Earl E. Cark, owner of the Dutch Wonderland Collector Auto Auction, and J. Omar Landis, owner and operator of Garden Spot Auto Auction, to produce an annual collector auto auction at Dutch Wonderland.

The new corporation will own and operate the annual Dutch Wonderland Collector Auto Auction under a new name — Dutchland Collector Auto Auction Inc.

The auto show and auction will be held Oct. 2-4 this year. More than 300 rare, classic and antique cars are expected for the auction.

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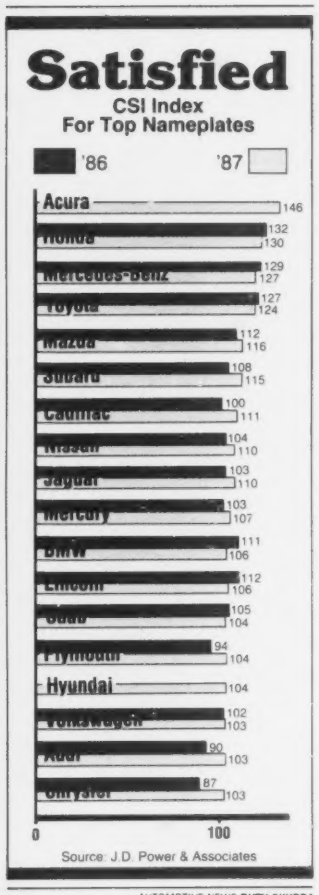


AUTOMOTIVE NEWS/RUTH SKURDA

Acura, Honda rank 1-2 in Power's CSI

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

American Honda Motor Co.'s Acura nameplate received the highest Customer Satisfaction Index rating of any high-volume car make sold in the United States for 1987. Honda, the sister car division and last year's winner, received the second-highest CSI score.

The annual survey, conducted by J.D. Power and Associates, a Westlake Village, Calif., research firm, said that Acura's "strong product quality and expert dealer servicing" contributed to the division's first-place finish in its inaugural year in the U.S. market.

Power's CSI survey, which was released last week at the Automotive News World Congress, is based on responses from 21,497 questionnaires received from owners of 1986 cars. Consumers were asked about their satisfaction with the car's quality and dealer servicing after one year of ownership.

The product-quality, or technical-service-factor, score and the dealer servicing, or people-service-factor, score were averaged to give the overall CSI score.

Asian car manufacturers as a group received the highest average CSI score with 119 points compared with an average score of 104 points for all manufacturers. The industry average rose: In the 1986 survey, the average was 100.

Asian carmakers matched their 1986 average score; however, last year's survey of Asian manufacturers included only Japanese makers. This year's survey included Korean car maker Hyundai.

European automakers averaged 102 points in the CSI survey, a four-point drop from 1986.

Asian car manufacturers as a group received the highest average CSI score with 119 points compared with an average score of 104 points for all manufacturers.

Domestic automakers averaged 98 points, a four-point rise from 1986.

Power said the domestic manufacturers' technical-service rating (product-quality rating) remained the same "despite some problem-plagued models." The biggest gain in points for the domestic manufacturers was in the people-service factor, Power said.

In fact, domestic manufacturers trailed Asian manufacturers by only four points in that area. The Asian group scored an average of 109 points in that area compared with 105 for the domestics.

However, European manufacturers as a group had the highest average score in the people-service ratings with 125 points.

Power noted that the 1987 industry average for the people-service factor was seven points higher than in 1986. The firm attributed the rise to the recent growth of manufacturer-sponsored, dealer-by-dealer CSI programs.

Power said technical problems with Honda's Accord model and problems with the Mercedes-Benz 190E-16 lowered overall CSI scores for those manufacturers. Honda dropped to second place overall from first place last year while Mercedes dropped to third from second place.

Cadillac received the highest rating of any domestic manufacturer in both the overall CSI score and the people-service factor. Cadillac jumped to seventh place from 14th place last year, mainly because of high marks in dealer servicing, Power said.

Mercury received the second highest overall CSI score for the domestics and was the only Ford Motor Co. nameplate to show an improvement from 1986. Customers rated dealer service very high; however, technical problems with Sable prevented Mercury from making an even stronger finish in this year's survey, Power said.

Among the Big 3 corporate scores, Chrysler Motors received the highest CSI overall and the highest score in the technical-service factor. Last year, Chrysler ranked third in overall CSI score among the domestic makers.

General Motors' overall CSI score was the second highest for the domestic makers. GM received the highest score in the people-service factor and the lowest score in the technical-service factor.

Ford's product-quality problems with its high-volume Taurus/Sable models hurt the company's overall CSI ratings in 1987, Power said. Ford held the No. 1 spot for the Big 3 last year. The company ranked third overall and second in both the people service and technical service factor areas this year.

Power calls today's buyers less loyal, more demanding

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Today's car buyer is less loyal, more demanding and more price conscious than in the past and is shopping in a marketplace that offers more models and brand names.

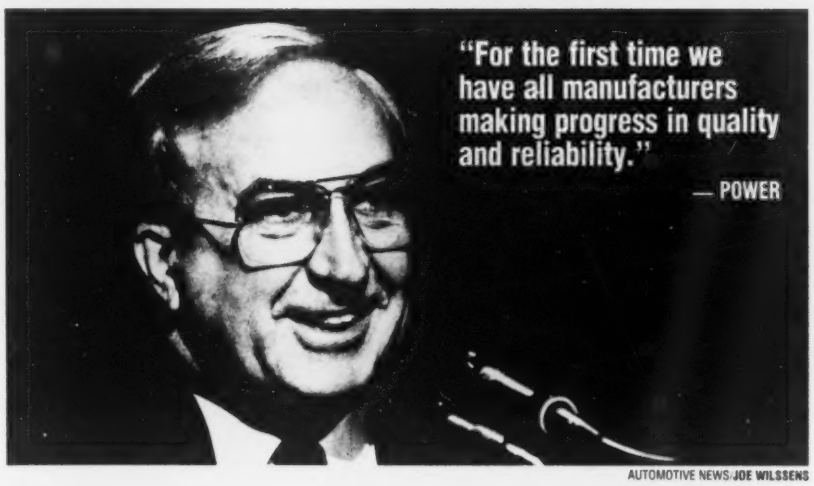
J. David Power III, president of J.D. Power and Associates, a consumer research firm in Westlake Village, Calif., said the buyer selects a car based on quality and reliability, not on image as in the past.

"For the first time ever, we have all manufacturers making progress in quality and reliability," Power told the Automotive News World Congress.

"Some are moving faster than others, but all moving in the right direction. They have to or they will be left at the gate."

Power said that Asian vehicle manufacturers continue to receive the highest customer satisfaction index ratings, with European and domestic manufacturers in second and third places, respectively.

On the retail side of the car industry, he said one of three buyers will purchase a vehicle from the same manufacturer that built his last car, and one of five will purchase a vehicle from the same dealer.



AUTOMOTIVE NEWS/JOE WILSSENS

About 85 percent of the consumers surveyed said they would purchase a vehicle again from the same salesperson, 83 percent said they would recommend the salesperson to someone else and 54 percent said they had already recommended the salesperson to someone else.

Power's findings are based on three consumer studies. Two polled buyers of 1987 models and one, the CSI study, interviewed buyers of 1986 models.

Other items from Power's consumer research:

- 79 percent of the 1987 new-car buyers surveyed shopped at one or more domestic-make dealerships; 48 percent shopped at an Asian-make dealership; and 19 percent shopped at a European-make dealership.
- 46 percent of 1987 new-car buyers who purchased a domestic car shopped at domestic-make showrooms exclusively.
- 15 percent of the 1987 buyers of Asian-made cars shopped only at Asian-maker dealerships, and 3 percent of buyers of European makes shopped exclusively at European-make stores.
- 40 percent of 1987 domestic-car buyers surveyed looked at only one brand while only 29 percent of buyers of Asian makes looked at one brand exclusively.
- 33 percent of 1987 new-car buyers reported that they visited a Chevrolet dealership, 31 percent visited a Ford dealership, 26 percent visited a Honda dealership, 26 percent visited a Toyota dealership and 22 percent visited an Oldsmobile dealership.

AUTOMOTIVE NEWS/JOE WILSSENS
Isenhour: The Japanese model of a two and a half to three-year development cycle is the goal domestic auto manufacturers should shoot for

CULTURE: *Japan's shorter product-development cycles linked to background and history of nation's manufacturers*

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Shortening the product development cycle for new automobiles is as much a matter of changing the culture of a company as it is of changing its engineering practices.

Robert M. Isenhour, senior vice president — Automotive Sector Business Team of United Research Co., said that one reason Japanese auto manufacturers are able to develop automobiles faster than domestic manufacturers is because their culture encourages teamwork.

Compressing the development cycle enables automakers to bring products to the market faster, with lower development costs and higher revenues, he said at a news conference following his address to the Automotive News World Congress.

Japanese manufacturers can develop a new automobile in about three years, Isenhour said. Domestic manufacturers operate on a five- or six-year development cycle.

Of the current Japanese advantage, he said, "The Asian mentality as it relates to teamwork and cooperation is fundamentally different. The economic system as it relates to the lender, supplier and producer is radically different. And that is part of the reason they are more effective, at least in this arena of cycle time."

He added, "The good news is . . . if you look at the (consumer) complaints, in the J.D. Power survey for example, there is less of a gap in quality between the Asian, European and U.S. auto manufacturers."

Isenhour said the Japanese model of a two and a half to three-year development cycle is the goal domestic auto manufacturers should shoot for. He said that future cars will be assembled with fewer parts, but those parts will be more complex.

"Given the complexity of automobiles, it may not be possible to go any shorter (than two and a half to three years)," he said.

In his address to the World Congress, Isenhour said shortening the product development cycle, "demands a dramatic change in the structure and relationships within and between the automobile manufacturer and his supplier."

Suppliers, he said, will have to be partners with the auto manufacturers. And project teams that include marketing, management and design functions will have to be created to work with the auto manufacturer.

PRODUCTION

23 plants on sidelines

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Model-changeover downtime curtailed auto production again last week. Twenty-three plants were out of action; 18 of them at General Motors. Five of the GM plants return to work this week.

Targeted output of 71,568 was 3.46 percent below the previous week's 74,130 and 28.36 percent below the year-ago week's 99,895.

So far this year, 4,323,556 cars have been assembled, 10.79 percent below the 4,846,538 completed last year at this point.

Last week's scheduled output was shared as follows: Ford Motor Co., 44.85 percent; General Motors, 26.62 percent; Chrysler Motors, 10.34 percent; Honda of America Manufacturing Inc., 9.32 percent; New United Motor Manufacturing Inc., 5.24 percent; Nissan Motor Manufacturing Co., 3.63 percent.

Volkswagen of America's Westmoreland, Pa., plant is idle for model changeover until Sept. 14.

Ford's Kansas City, Mo., plant remains closed for model changeover.

The following GM plants remain down for model changeover: Janesville; Wis.; Flint, Mich.; Willow Run, Mich.; Tarrytown, N.Y.; Orion Township, Mich.; Lordstown, Ohio; Detroit-Hamtramck; Pontiac, Mich.; Bowling Green, Ky.; Van Nuys, Calif.; Framingham, Mass.; Doraville, Ga.; and Arlington, Texas.

Chrysler's Sterling Heights, Mich., and Jefferson Avenue, Detroit, plants resumed output today. Both plants were down for model changeover.

Chrysler's Belvidere, Ill., and St. Louis (No. 1) plants remain idle for model changeover.

Truck output 4% ahead of 1986

U.S. truckmakers scheduled production of 67,545 units last week, 2.33 percent more than the prior week's 66,009 and 1.05 percent more than the year-ago week's 66,846.

Year-to-date, 2,223,177 trucks have been assembled, 4.01 percent more than the 2,137,515 built last year at this point.

General Motors' Janesville, Wis., plant remains idle until Sept. 8 for model changeover.

Chrysler Motors' Warren, Mich., plant resumed output today. The plant had been down for two weeks for model changeover.

Navistar International's plant in Springfield, Ohio, resumed operations last week after a three-week vacation.

Auto production dips in Canada

Canadian auto production was scheduled at 8,396 units last week, 1.64 percent below the previous week's 8,536 and 23.89 percent below the year-ago week's 11,031.

So far this year, 469,545 cars have been assembled, 27.06 percent below the 643,711 completed last year at this time.

Targeted truck production of 8,513 units last week was more than double the previous week's 3,493 when several plants were idle for vacation and model changeover.

Last week's estimated output was 32.33 percent below the year-ago week's 12,580.

So far this year, 481,230 trucks have been built, 7.73 percent below the 521,540 completed last year at this point.

Ford Motor Co.'s Oakville, Ontario, truck plant resumed production last week. The plant had been down for vacation.

Navistar International's Chatham, Ontario, plant resumed output last week after a three-week vacation.

American Motors' Brampton, Ontario, plant resumed output last week. The plant had been idle for two weeks for model changeover.

CANADIAN CAR	Week Ended Aug. 1, 1987	Week Ended Aug. 2, 1986	Week Ended July 25, 1987	July Est.	Jan. 1 to Aug. 2, 1986	Jan. 1 to Aug. 1, 1987
AMERICAN MOTORS	110	0	0	273	2,382	3,205
FORD MOTOR	5,261	10,806	5,359	14,688	304,693	289,361
GENERAL MOTORS	2,400	0	2,527	19,919	330,185	164,068
HONDA	400	0	425	1,768	0	6,494
VOLVO	225	225	225	1,008	6,451	6,417
Total Cars, Canada	8,396	11,031	8,536	37,656	643,711	469,545
U.S. TRUCK☆	Week Ended Aug. 1, 1987	Week Ended Aug. 2, 1986	Week Ended July 25, 1987	July Est.	Jan. 1 to Aug. 2, 1986	Jan. 1 to Aug. 1, 1987
CHEVROLET	19,806	21,600	18,637	89,989	726,558	690,403
DODGE	0	2,546	0	8,932	52,537	141,731
FORD	28,326	29,944	29,710	86,985	844,311	867,502
GMC	8,436	7,048	8,750	35,612	219,969	229,564
NAVISTAR	1,647	1,545	0	2,453	41,727	41,684
JEEP	4,450	0	4,070	12,560	109,302	127,626
NISSAN	2,130	1,813	2,092	6,291	73,059	47,957
AM GENERAL*	450	50	450	2,070	1,512	8,010
MISCELLANEOUS*	2,300	2,300	2,300	12,580	68,540	68,700
Total Trucks, U.S.	67,545	66,846	66,009	257,471	2,137,515	2,223,177
CANADIAN TRUCK	Week Ended Aug. 1, 1987	Week Ended Aug. 2, 1986	Week Ended July 25, 1987	July Est.	Jan. 1 to Aug. 2, 1986	Jan. 1 to Aug. 1, 1987
AMERICAN MOTORS	775	0	0	1,936	16,165	16,856
CHRYSLER	0	6,348	0	13,228	232,694	239,258
FORD	3,496	3,253	0	5,255	94,739	87,075
GENERAL MOTORS	4,020	2,797	3,493	21,191	172,311	130,721
NAVISTAR	222	182	0	332	5,601	5,320
Total Trks., Canada	8,513	12,580	3,493	41,942	521,540	481,230
N. Am. Trucks	76,058	79,426	69,502	299,414	2,659,055	2,704,407

—Includes sticker up production. *—Estimated.
Jeep includes commercial only. All General includes government-designed vehicles.
Ford includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Chrysler production was limited [illegible]

U.S. CAR	Week Ended Aug. 1, 1987	Week Ended Aug. 2, 1986	Week Ended July 25, 1987	July Est.	Jan. 1 to Aug. 2, 1986	Jan. 1 to Aug. 1, 1987
AMERICAN MOTORS	0	1,332	0	0	31,537	15,994
Renault Total	0	1,332	0	0	31,537	15,994
Alliance	0	1,332	0	0	28,190	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	7,400	17,895	2,744	41,287	811,995	631,135
Plymouth Total	2,200	6,120	247	7,138	242,761	186,708
Horizon	0	3,940	0	0	101,405	32,997
Sundance	0	1,735	0	2,384	5,573	56,294
Reliant	1,900	0	0	2,617	90,957	64,258
Caravelle	0	0	0	1,278	27,823	30,019
Gran Fury	300	445	247	859	11,003	3,140
Chrysler Total	3,000	4,527	2,046	21,810	257,292	215,202
Laser	0	0	0	0	27,239	0
LeBaron K	900	0	0	900	63,872	43,810
LeBaron J	0	0	0	8,877	0	70,154
LeBaron GTS	0	1,455	0	1,186	42,185	23,809
N. Yorker/E-Class	2,100	175	0	4,523	47,309	48,893
Fifth Avenue	0	2,897	2,046	6,324	76,687	28,496
Dodge Total	2,200	7,248	451	12,339	311,942	229,225
Daytona	0	0	0	3,219	30,807	33,909
Omni	0	3,499	0	0	97,715	28,363
Shadow	0	1,556	0	2,557	4,988	57,629
Aries	1,700	0	0	2,313	75,480	61,067
Dodge 600	0	0	0	1,246	46,756	26,922
Lancer	0	915	0	779	33,912	15,006
Diplomat	500	1,278	451	2,225	22,284	6,327
FORD MOTOR	32,094	33,140	32,393	93,977	1,063,190	1,116,969
Ford Division	23,461	22,909	23,864	71,650	728,958	793,108
Escort	7,987	7,985	7,759	24,406	227,407	220,562
Mustang	3,833	3,728	4,467	12,786	121,227	126,534
Tempo	0	4,155	0	0	117,690	99,830
Taurus	8,247	3,998	7,981	23,659	168,803	247,997
Thunderbird	3,394	3,043	3,657	10,799	94,031	98,185
L-M Division	8,633	10,231	8,529	22,327	334,232	323,881
Mercury Total	5,164	7,658	5,260	15,589	230,961	221,146
Lynx	214	1,445	253	704	38,405	21,358
Capri	0	215	0	0	11,020	0
Topaz	0	1,283	0	0	35,576	32,858
Cougar	2,234	1,676	2,414	7,154	71,311	87,632
Sable	2,716	3,039	2,593	7,731	74,649	79,298
Lincoln Total	3,469	2,573	3,269	6,738	103,271	102,735
Continental	0	294	0	0	11,640	9,610
Lincoln	2,891	1,926	2,724	5,615	77,464	77,703
Mark VII	578	353	545	1,123	14,167	15,422
GENERAL MOTORS	19,054	38,688	26,298	171,769	2,631,699	2,125,660
Buick Total	1,238	8,262	1,491	26,084	479,462	334,414
Skyhawk	0	0	0	577	53,159	16,451
Century	0	3,925	0	8,280	151,657	103,225
Regal	1,113	0	1,405	5,584	36,489	29,201
Somerset/Skylark	0	2,462	0	487	70,523	37,072
LeSabre (fwd)	0	0	0	9,603	85,918	80,693
LeSabre (rwd)	125	0	86	464	8,931	5,726
Electra (fwd)	0	1,028	0	1,072	56,090	53,545
Riviera	0	847	0	18	16,715	8,501
Cadillac Total	570	2,482	268	5,432	197,540	162,755
Cimarron	0	425	0	28	16,172	7,489
Allante	150	0	144	659	0	2,779
Brougham (rwd)	420	391	124	984	49,101	38,660
DeVille (fwd)	0	0	0	3,636	101,033	90,573
Eldorado	0	801	0	63	16,333	10,534
Seville	0	865	0	63	14,901	12,720
Chevrolet Total	13,798	9,696	16,872	85,687	805,022	821,605
Chevette	0	0	0	0	61,031	0
Camaro	2,315	0	4,699	12,679	115,669	70,230
Cavalier	0	4,178	0	11,418	252,199	204,851
Celebrity	0	2,820	0	12,016	162,399	192,484
Corsica/Beretta	8,000	0	8,521	33,564	0	179,170
Monte Carlo	423	2,179	1,158	4,005	69,718	41,538
Chevrolet	2,676	0	1,879	9,461	127,707	115,285
Corvette	384	519	615	2,544	16,299	18,047
Oldsmobile Total	1,251	10,517	2,774	17,989	655,803	391,767
Firenza	0	0	0	539	23,400	2,019
Calais	0	2,157	0	1,609	74,784	69,547
Cutlass Ciera	0	3,192	0	1,447	168,673	99,968
Cutlass Supreme	1,251	0	1,323	6,285	84,031	45,539
88 (fwd)	0	3,500	1,451	7,002	212,398	107,448
88 (rwd)	0	0	0	174	11,807	10,656
Olds 98	0	996	0	886	68,378	37,869
Toronado	0	672	0	46	12,332	10,127
Pontiac Total	2,197	7,731	4,883	36,576	493,842	415,119
Acadian*	0	0	0	0	9,864	0
Fiero	0	0	0	0	44,332	20,689
1000	0	0	0	0	11,792	0
Firebird	965	0	2,475	6,789	70,440	48,902
2000 Sunbird	0	0	0	0	84,346	60,295
Grand Am	0	4,638	0	13,266	139,322	149,576
6000	0	3,093	0	5,048	92,495	48,689
Bonneville	1,056	0	2,315	10,796	0	81,002
Safari/Parisienne	176	0	93	678	41,251	5,966
HONDA	6,670	5,109	6,110	29,415	115,619	196,506
Civic	2,010	0	1,821	9,135	0	65,174
Accord	4,660	0	4,289	20,280	0	131,332
NISSAN	2,600	0	2,589	7,822	21,517	77,404
NUMMI	3,750	3,731	4,006	17,645	120,709	116,739
Corolla	750	0	878	3,805	0	24,349
Nova	3,000	0	3,128	13,841	0	92,390
VOLKSWAGEN	0	0	0	2,666	50,282	43,129
Golf/GTI	0	0	0	2,266	0	34,775
Jetta	0	0	0	400	0	8,354
Total Cars, U.S.	71,568	99,895	74,130	384,581	4,846,538	4,323,556
Total Cars, Canada	8,396	11,031	8,536	37,656	643,711	469,545
N. American Cars	79,964	110,926	82,666	402,237	5,490,249	4,793,101
N. Am. Trucks	76,058	79,426	69,502	299,414	2,659,055	2,704,407
North American Cars and Trucks	156,022	190,352	152,168	701,650	8,149,304	7,497,508

—All Acadians are built for sale in Canada.

GM cuts 50,000 for quarter

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors has trimmed almost 50,000 cars from its original third-quarter U.S. auto production forecast, bringing its anticipated total to 675,617.

That forecast is down 18.43 percent from last year's third-quarter output of 828,299.

When the original forecast was made in June, analysts had predicted that the bulk of the industrywide third-quarter cutbacks would come from GM's schedule.

However, Michael Luckey, analyst at Shearson Lehman Brothers, said he thinks the cut is not enough. If GM builds what it is currently projecting, it will end up with about an 85-day supply of cars by mid-September, he said.

Another 100,000 cars will have to be trimmed to achieve a more reasonable 75-day supply by mid-September, Luckey said.

The revised domestic-industry production schedule for the third quarter calls for 1,415,912 cars, down 13.36 percent from the 1,634,205 completed during last year's third quarter.

Ford Motor Co. scaled back its third-quarter schedule a mere 1,000 cars from its original estimate. It now expects to build 362,000 cars this quarter, 5.65 percent below the last year's 383,668.

Chrysler Motors' plans are unchanged from its original forecast. Its scheduled 220,000 cars would be a decrease of 18.39 percent from the year-ago quarter's 269,581.

Nissan Motor Manufacturing Co.'s third-quarter forecast also remains unchanged at 29,640, up dramatically from the 10,066 of the year-ago period. Nissan's Smyrna, Tenn., plant was down for model changeover for most of the quarter last year.

American Motors reports zero units for this quarter; it has ended production of its 1987 Alliance model, and all its other domestic cars are built in Canada.

Volkswagen of America continues to schedule 5,800, down 63.11 percent from the 15,721 built last year. Honda of America Manufacturing is sticking to its schedule of 74,855 units, up 15.95 percent from 64,559. And New United Motor Manufacturing Inc. continues to schedule 48,000 cars, down 3.65 percent from last year's 49,820.

UPDATED THIRD QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	675,617	826,299	– 18.43
Ford	362,000	383,668	– 5.65
Chrysler	220,000	269,581	– 18.39
AMC	0	12,491	—
Honda	74,855	64,559	+ 15.95
NUMMI	48,000	49,820	– 3.65
Nissan	29,640	10,066	+194.46
VW	5,800	15,721	– 63.11
Industry	1,415,912	1,634,205	– 13.36

Golf score: 9 million

WOLFSBURG, West Germany — Volkswagen has produced its 9-millionth Golf. The Golf has been the best-selling car in Germany since 1975.

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GM, Ford try 1.9% in cleanup

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors' "Big One is Back," but it might not be big enough.

GM announced Wednesday what it called its "sweeping close-out" of 1987 cars. It offers interest rates as low as 1.9 percent and cash rebates of up to $2,000. The program covers most GM car lines and runs from Aug. 6 to Sept. 30, the last day of the 1987 model year.

But in some cases, the new rebates are less than those that just expired. The launch of the new GM incentives was confused by GM's announcement of the campaign days before the new incentives actually took effect.

On Friday, Ford Motor Co. followed with new incentives of its own. Financing as low as 1.9 percent or rebates of up to $700 are offered on most Ford cars.

Louis E. Lataif, vice president of Ford North American Sales Operations, said strong demand for Ford and Mercury cars and resulting low inventory levels made incentives unnecessary. However, Ford was offering the program, he said, to keep its dealers competitive and to maintain the company's momentum.

Chrysler marketing staff members were said to be in meetings on

see INCENTIVES, Page 59

Glenn Triest photos

Lee waves, Joe drives; AMC-Chrysler deal done

American Motors stockholders overwhelmingly approved the takeover of AMC by Chrysler Corp. last week. Officials wasted no time in sealing the deal. The new Jeep-Eagle dealer sign, above right, was unveiled even as AMC President Joseph Cappy drove Chrysler Chairman Lee Iacocca to a formal announcement about the takeover, above left, in a vintage World War II Jeep. The AMC stockholder approval came after Cappy, left, fielded some tough questions from shareholders who questioned the $4.50-per-share sale price.

See stories, Page 57.

Honda nears OK for Acura plant in U.S.

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

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TOKYO — Honda North America is within weeks of receiving rubber-stamp approval to build a second U.S. assembly plant in Ohio, increasing capacity to 700,000 cars a year by the early 1990s.

The new plant, which would cost about $500 million, would be dedicated to production of the hot-selling Acura, Honda's upscale brand, sources said.

Honda North America President Tetsuo Chino, acknowledging that a decision was imminent, said that the added U.S. production also would make Honda a major U.S. exporter. And Chino laid down the gauntlet to frequent Japanese critic Lee Iacocca in an interview here, saying, "Within four years, I'll beat Chrysler on both local content and exports."

Honda has forecast U.S. sales of more than 1 million cars annually by the early 1990s, but officials say brisk sales and optimistic forecasts for the late 1980s are forcing Honda to make a decision on additional North American production sooner than expected. The decision will come "within three months," Chino said.

He outlined Honda's three options:

- Honda could expand its Marysville, Ohio, assembly plant, where current capacity is 360,000.
- Honda could expand its Alliston, Ontario, facility, where capacity is 80,000.
- Honda could build a new facility near its Anna, Ohio, engine plant, about 50 miles from Marysville.

The Ontario option was considered unlikely, sources said, because of Honda's philosophical commitment to build cars in the country where it sells them. Current Canadian capacity about meets Honda's demand there.

Asked if Honda is leaning toward a new U.S. plant roughly the size of the Marysville facility and devoted to building Acura models, Chino would only say, "That is a very educated guess."

But informed sources said both Chino and his top manufacturing executive, Honda Manufacturing President Shoichiro Irimajiri, favor adding a separate assembly facility at the Marysville site, that the plan should be finally approved this fall, and that construction of the new plant would begin early next year. Production would begin two years later — in early 1990.

Honda wants to keep U.S. production of Acura and

see HONDA, page 59

Chrysler may import Brazilian Fiat mini

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors and Fiat's Brazilian subsidiary are discussing a venture that would bring a version of the Brazilian-built Fiat Uno minicar to the United States.

The negotiations have not been finalized and Chrysler is considering other manufacturers for a joint venture.

However, Fiat appears to be the front-runner for the manufacturing and export joint venture.

If Chrysler and Fiat reach an accord, it will mark Fiat's return to the United States market after an absence of more than four years and Chrysler's entry into the mini-car business.

Fiat pulled out of the United States in early 1983, shortly after the introduction of the Uno in other markets.

Chrysler is discussing the potential manufacturing and export venture with Fiat Automoveis S.A. in Brazil. The Uno is a front-wheel-drive minicar that Fiat Automoveis manufactures in Betim.

A Chrysler spokesman confirmed that Chrysler has purchased four or five vehicles from Fiat in Brazil for evaluation. However, the spokesman said that the company routinely conducts such tests.

Asked about a possible joint venture,

The Brazilian-built Fiat Uno is essentially a replica of the model produced in Italy.

nounced plans for Fiat in Brazil." However, sources confirmed the negotiations and Fiat's front-runner status.

Fiat has an annual production capacity of approximately 270,000 units in Brazil. However, a Fiat spokesman said, "We could very quickly expand to 300,000 units a year."

Because the Brazilian domestic auto market is languishing, Fiat said 60,000 units could be available for export this year.

It is not clear how Chrysler would use [illegible]ducts in its distribution network.

Chrysler has used America versions of its aging subcompacts, Dodge Omni and Plymouth Horizon, at the bottom end of its product line, although its domestic competitors have introduced new-technology imported minicars, Chevrolet Sprint and Ford Festiva.

Chrysler explored importing a small car called the Oltcit from Romania, but that has now been ruled out.

Chrysler spent $200 million this summer to retool the former American Motors Kenosha, Wis., assembly plant

see BRAZIL, Page 57

Brokerage firm moves new Toyotas at auctions

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

More than a thousand new Toyotas — many of them from Guam and Puerto Rico — are being sold at East Coast and Midwest auctions this summer by an overstocked Montgomery, Ala.-based leasing and brokerage firm.

Pat Ryan, president of Trans-America Leasing Inc., declined to say how many of the Toyotas are from Guam or Puerto Rico. The issue is a sensitive one because cars from those distributors are not counted under Japan's voluntary export quota of 2.3 million cars for the United States.

Ryan said his "judgment was bad" and that he will never again buy as many Toyotas on speculation.

Not that Toyota would sell him any more.

Ryan said Toyota is probably unhappy about his company selling new cars at auction, adding he will

see TOYOTA, page 59

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Saturn info ready for dealers Page 3

Ford-VW deal in Europe hinted Page 24

July new car sales slip Page 58

Dealer applicants learn Saturn marketing plans

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors dealers and others who have asked for information on how to obtain a Saturn Corp. franchise will receive a packet of information from the GM subsidiary next week.

About 12,000 packets will be sent out Aug. 14 to dealers as well as state dealer associations.

The packet contains the background and philosophy of Saturn, marketing areas, the dealer selection process and a preliminary application.

As detailed earlier (Automotive News, June 1), Saturn will select a limited number of dealers for each territory. Dealers will be allowed to have multiple locations, including sites in shopping centers and office complexes.

By the end of the 1991 model year when the car is introduced, about 200 Saturn dealers will be operating in about 120 cities. As production and product offerings grow, the number could increase to 250 to 350.

"The true test of how successful Saturn is will be the repeat business we get."

Donald Hudler

The information packet explains that Saturn adopted the approach of limiting the number of dealers in a given area to allow a dealer to sell and service a large number of vehicles and to allow dealers to grow as Saturn grows.

The packet makes it clear that Saturn is looking for dealers of substantial financial means. Saturn also is looking for dealers with a proven track record of high customer satisfaction and strong sales and with the management skills and financial capability to develop one or more dealership facilities.

"The true test of how successful Saturn is will be the repeat business we get," said Donald Hudler, Saturn vice president of sales, service and marketing.

Hudler said for that reason, Saturn is looking for dealers who are willing to commit to the long-term partnership with Saturn and who demonstrate the ability to satisfy customers from the buying process and through the ownership of the Saturn car.

Dealers should have a minimum personal net worth of $1.3 million excluding their personal residence, and have personal liquidity (total current assets minus total current liabilities based on the formula given in the packet) of $325,000.

The packet said that women and minority dealers will be encouraged to seek a Saturn franchise so that Saturn has input from all segments of the car-buying population.

Those interested in the Saturn franchise must complete the two-page questionnaire and return it within two weeks.

One page of the questionnaire is devoted to the candidate's personal financial information. It also requires a listing of businesses in which the candidate holds an interest of 15 percent or more. The candidate also is required to list his top two choices of marketing areas.

Candidates will be notified within one month whether they pass the first hurdle.

For those who do, a follow-up questionnaire will be mailed. At the same time, Saturn will begin reviewing candidates on a market-by-market basis. The process may take up to 18 months.

The follow-up questionnaire must be returned to Saturn within one month of receipt. It will require a detailed explanation of experience, personal financial information and plans for capitalizing the proposed franchise.

Dealer candidates will be notified within two months if they are selected to continue in the process. If they are, they will be visited by a Saturn team. The team will spend a day observing the dealer's existing operations and meet with members of the dealer's organization.

The dealer will be notified within two months if he or she moves on to the next step. If so, the candidate will be invited to visit Saturn headquarters in Troy, Mich., for a day of orientation and discussion with Saturn team members and other Saturn dealers. At that point, Saturn and the dealer will decide whether to proceed.

The candidates will return to Saturn for a two-day briefing on Saturn's plans, information on the dealer's local market and development of a marketing area plan for the dealer candidate.

Each dealer may tailor sales and service facilities to his or her marketing area. The approach could result in a sales-only facility in a shopping mall, office complex or a stand-alone location as well as service-only facilities. The dealer must develop within a two-month period a marketing area plan. It must contain commitments for facility development and operation.

The dealer and Saturn must agree on the strategy for the marketing area. Then the dealer signs the franchise agreement.

Caddy's 1987 Allante

Chevy's 1988 Beretta

TURNABOUT: *Corsica/Beretta hot; Allante sales slow*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — It's the classic story of the tortoise and the hare: Sales of the Cadillac Allante got off to a jack-rabbit start when the luxury two-seater was introduced in January. Now, sales appear to be slowing.

Meanwhile, Chevrolet Corsica and Beretta, introduced at the same time, started off at a turtle's pace. But Corsica and Beretta have now hit their stride. They have become the country's third-best sellers, and plants will soon be running overtime to meet demand.

Initially, every Allante that went to a dealer's showroom was sold virtually overnight. Now, Allante sales are slower than production.

Cadillac built 2,779 Allantes through Aug. 1. Retail sales for the period totaled 1,320 units, leaving about half unsold at the retail level. Cadillac has dealer orders for all of the 1987-model production.

In February and March, Cadillac dealers ran ads in Automotive News seeking to buy Allantes from other dealers. Some offered premium prices. Today, dealers say they are discounting the $54,700 sticker price by as much as $5,000.

Since there are so few Allantes in total number, Cadillac's 1,600 dealers aren't swamped with inventory. Some dealers reported having one or two; others were sold out. Cadillac pointed out that some of the cars are used as demonstrators or display models and others are in transit to dealers.

Cadillac's goal had been to sell 4,000 by the end of the 1987 model year but fewer than that will actually be produced.

At the opposite end of the price spectrum, Chevrolet Corsica and Beretta are finally doing what they were intended to do. For the second consecutive month, Corsica/Beretta was the third best selling nameplate in the industry, behind Ford Escort and Taurus. Chevrolet has predicted that Corsica/Beretta will be the top-selling line in 1988.

Sales total 104,358 for the calendar year, with 27,452 in July.

Chevrolet General Manager Robert Burger said recently that the cars are selling at a rate of 1,600 a day, exceeding production of 1,400 a day, so overtime is due.

Volvo-GM heavies dubbed White GMC

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

ANAHEIM, Calif. — White GMC is the official name for the heavy duty trucks Volvo GM Heavy Truck Corp. will begin to produce and distribute in the United States next January.

The new truck will also be distributed in Canada by Volvo GM Canada Heavy Truck Corp. under the White GMC brand.

Thage Berggren, president, revealed that the company will identify its products and dealerships with a new symbol — the stylized outline of a heavy truck whose grille features a diagonal slash.

The slash, he said, reinforces the relationship to AB Volvo of Sweden, one of its parent companies.

A joint venture of Volvo and General Motors, Volvo GM Heavy Truck combines the Class 8 truck business of GM's Truck and Bus Group and Volvo White Truck Corp., which will cease operations when the joint-venture firm starts.

Volvo Trucks marketed by Volvo GM Heavy Truck will carry only the Volvo name, Berggren said, since they are produced by Volvo Truck Corp., a subsidiary of AB Volvo.

Berggren said familiar names will be used for U.S.-built trucks where appropriate — Autocar, Integral Sleeper, Xpeditor and Brigadier, for example.

The annoucements were made here during a news conference at the opening of the International Trucking Show by Berggren and John D. Rock, board member of Volvo GM Heavy Truck. Rock is general manager of GMC Truck Division.

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ITC to investigate foreign trade subzones

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — At the request of the House Ways and Means Committee, the International Trade Commission has opened an investigation into the impact of foreign trade subzones on U.S. industry.

The commission, which looked into the use of foreign trade zones in 1984, has been asked to update that investigation. For the first time, the commission is expected to expand the focus to include subzones.

The use of subzones has exploded since the late 1970s, when Volkswagen applied for and received the third subzone ever granted. Two previous subzone zones applications were granted in 1963 and 1970.

Since 1977, the number has grown to nearly 100, with auto-related subzones accounting for more than 40 of them (Automotive News, March 9).

Manufacturers use the subzone status for duty-free import of components used in manufacturing. A tariff is then paid based on the imported content of the finished product.

For cars, a tariff of 2.7 percent levied on import cars would be assessed against the percentage of imported components used in a vehicle produced at a subzone site. The tariff on individual components, such as engines, imported directly into the United States can be as high as 6 percent.

The commission must report its findings by Jan. 29. It is expected to look at safeguards in the system, including the effectiveness of customs procedures in detecting such abuses as evasion of quotas and circumvention of countervailing duties and antidumping orders.

The investigation will cover the economic impact of the subzone status on employment, tariff revenue, state economic development, U.S. investment levels and international trade.

FTC asked to order Ford to repair cars

WASHINGTON — The Center for Auto Safety has asked the Federal Trade Commission to order Ford Motor Co. to pay for any repairs to floor pans of more than 1.2 million 1979-83 Ford Mustangs and Mercury Capris.

The action followed NHTSA's referral to FTC after a two-year investigation that found a 50-percent failure rate.

The consumer group said FTC should require Ford to repair cars with split floor pans.

Fixing them (usually post-warranty) can cost $100 to $500.

Ford's own documents show special attention given to state police cars (California, Massachusetts, Arizona) where failure rates are higher.

NHTSA's docket showed 400 consumer complaints made to Ford and NHTSA. There were 11,347 warranty adjustments as of June 14, 1985.

The Center for Auto Safety sent FTC four Ford dealer service bulletins. It pointed out that selective treatment of customers is an unfair trade practice that violates the FTC Act.

July light-truck sales set record; domestic gain offsets import dip

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Light-duty truck sales in the United States continued at a record level in July, with domestic manufacturers gaining ground against importers.

July's light-duty total of 423,252 was up 5.6 percent over 400,885 a year ago.

Sales of major Japanese importers, including Toyota, Nissan and Mazda, were off, although smaller importers managed increases.

As a group, import sales totaled 77,764, off 23.2 percent from July last year.

Suzuki is still withholding its Samurai sales numbers. The 8,000 Samurai sales shown for July are an industry estimate.

All the domestic manufacturers had robust gains last month.

Chrysler had the greatest increase. Its total of 68,305 was up 47.9 percent from a year earlier.

Chrysler's minivan sales are driving the compact van market.

Voyager, for example, posted a 94.9-percent gain last month with sales of 16,402, while Caravan had an 84.7-percent gain with sales of 17,033 units.

Compact trucks generally are continuing to drive the light-truck market.

Ford Ranger sales of 29,942 were up 30.2 percent for the month, while its Bronco II sales of 12,935 were up 45.1 percent from a year earlier.

Ford also managed a sizable 22.8-percent increase on sales of 16,815 Aerostars in July.

Overall Ford light-truck sales of 123,806 were up 9.9 percent last month. The full-sized F-series pickups and Broncos posted declines.

Chevrolet similarly had booming compact-truck sales, though its full-sized pickup sales of 35,935 were also up slightly from 35,673 a year ago.

On the compact side, Chevrolet posted a 21.5-percent gain with sales of 15,329 Astro vans in July. Its compact S-10 pickup had a 56.9-percent gain with sales of 22,156 units, and its compact S-Blazer sales of 14,492 were up 15.1 percent from a year ago.

Chevrolet's light-truck total of 109,259 was up 11.9 percent over last year.

GMC barely edged out its year-ago total with sales of 27,605 light trucks, up from 27,022 in July 1986.

Like its competitors, GMC did well with its compact pickup, S-15, which had a 21.9-percent gain, and with the compact Safari van, up 17.0 percent.

Its full-sized vans and sport utility Jimmy, as well as its S-Jimmy and big pickups were off for the month, though.

Jeep managed a small gain with 16,513 sales last month, up from 16,069 a year ago. Jeep sales have increased steadily for a couple of years and appear to be nearing a plateau.

4x4 Yugo planned for 1990
Global Motors is planning to introduce this Yugo four-wheel-drive sport-utility vehicle around the 1990 model year. It is based on the Yugo GV car platform and will be priced near the Suzuki Samurai. The 4x4 will be built at the Zastava factory in Yugoslavia, where Yugo cars are assembled.

Study charts truck rise in family buying plans

NEW YORK — Ninety-nine percent of new compact trucks registered in the public sector are used for personal driving, while only about 20 percent are used exclusively for business.

The figures are part of the 1987 Buyers of Compact Trucks study from Newsweek's market research department.

At least half of those trucks are the principal household vehicle, and more than 50 percent are owned by first-time truck buyers, the study revealed.

The report is designed to provide a marketing analysis of the automotive growth market of the 1980s — compact pickups and compact sport-utility models, according to James Schwartz, Newsweek's market research manager.

The study includes data on 37 compact truck lines — 21 pickups and 16 sport-utility models.

More than twice as many 1987 pickups (68 percent) as sport-utility models (32 percent) were sold at the start of the model year in November and December 1986, the study found.

Sales of pickups were divided almost equally between domestic (52 percent) and import (48 percent) models, while sport-utility sales were controlled by domestic manufacturers, with 73 percent.

The median price of the sport-utility models was $15,800, significantly higher than the median price of $9,500 for pickups.

The demographic profile of the compact truck driver shows he is well-educated and frequently is in the professional/managerial job category (42 percent for pickups and 59 percent for sport-utility models).

Most respondents spent a median of nine weeks gathering information and two weeks selecting their vehicle.

They considered durability/reliability, quality of workmanship, price or deal offered, value for the money and ease of handling as the most important influences on their buying decision.

New buyers visited a median of 2.5 dealerships that carried the make of truck they eventually purchased.

Buyers anticipated keeping their new trucks an average of 5.5 years, and 19 percent of them planned to keep the vehicles 10 or more years.

Newsweek commissioned Maritz Marketing Research, of Toledo, Ohio, to conduct the study. From March 7 to April 6, 1987, more than 10,000 questionnaires were mailed to a nationally representative sample of early buyers of 1987-model compact trucks.

More than 4,300 buyers returned the questionnaire, a 44.5 percent response rate.

Freightliner sales at peak; production hike scheduled

PORTLAND, Ore. — Freightliner is operating its Class 8 truck business at a record level and plans to boost production.

The company's June retail sales of 2,127 were an any-month high, as was its 17.6-percent share of the June Class 8 market.

Six-month retail sales of 10,902 Class 8s were also a record.

The company has been steadily inching up in production and is boosting output to more than 100 units a day in August.

Peter E. Rupp, chairman and chief executive officer, said Class 8 retail sales began showing strength in March, causing Freightliner to raise its 1987 forecast for the industry to 129,000 sales from a previous projection of 120,000.

With the exception of May, the industry's new orders for Class 8s have been similarly strong in 1987.

The net order intake for Class 8 through June averaged 12,218 trucks per month, a 21.9 percent increase over an average of 10,020 units per month in 1986.

Freightliner's share of higher industry orders paralleled and, at times, surpassed the industry average increase, Rupp said.

He said that improved profit margins and financial restructuring moves among all segments of the U.S. trucking industry have generated new and additional capital for equipment purchases.

In addition, replacement demand due to the aging of fleets also generated more truck orders, Rupp said, pointing out that more than 27 percent of Class 8 trucks operating in the United States are 13 years old or older. Well over 60 percent of all heavy-duty trucks are seven years old or older.

Registrations through April 1987 show that the long-conventional tractor's share of the market has increased to 38.1 percent from 35.9 percent during 1986, A. Gordon Clark, senior vice president of sales and marketing added.

Conversely, cab-over-engine tractors, commonly referred to as HCOE, dropped to an 18.9 percent market share during the same period from 21.4 percent last year.

Medium-length conventional trucks have been holding almost steady with a 25.3 percent share.

Clark said that Freightliner's long-conventional models were getting 27 percent of that segment, and that it has 6.9 percent of medium-length conventional sales.

Clark said that while Freightliner sees a continuing decline in the HCOE segment for the short term, the company believes the class will rebound.

Rupp said that while there have been some recent signs of a typical summer slowdown in the trucking industry, Freightliner expects sales and order intake to continue strong into the fourth quarter.

Fruehauf to add Tennessee plant

HUNTSVILLE, Tenn. — Fruehauf Corp. will operate a new platform trailer manufacturing operation here, employing 200 to 250 people. Production is scheduled to begin in mid-1988.

Construction of a 175,000-square-foot facility will begin in the fall.

The plant will be built and owned by the Industrial Development Board of Scott County, a local government agency, and leased to Fruehauf.

Fruehauf plans to produce 4,500 trailers a year here, while expanding its manufacturing facilities to 16 in North America.

Fruehauf has been selling assets to pay off about $1 billion in debt incurred from a leveraged buyout it used to fend off a hostile takeover last year.

It sold its Rentco Trailer Corp. lease operations to XTRA Corp. for $70 million earlier this year and, in completing that deal, recently sold a fleet of about 11,600 piggyback trailers to XTRA Corp. for $54 million in cash and the assumption of certain lease liabilities.

LIGHT-DUTY TRUCK SALES

	July 1987	July 1986	7 Mos. 1987	7 Mos. 1986
Vans	15,906	14,496	109,128	104,382
Aerostar	16,815	13,696	97,623	86,105
Club Wagon	2,030	1,847	16,878	16,208
Ranger	29,942	23,004	198,401	167,286
Bronco	3,689	4,177	28,816	28,169
Bronco II	12,935	8,914	69,542	54,242
Pickups	42,489	46,547	313,548	307,019
Ford	123,806	112,695	833,736	763,411
Vans	10,742	11,694	64,447	80,548
Sportsvan	1,052	1,388	7,316	10,624
Astro	15,329	12,620	90,482	89,660
S-10	22,156	14,119	137,865	124,830
S-10 Blazer	14,492	12,596	86,777	93,587
El Camino	1,553	1,428	8,249	13,210
Blazer	2,499	3,271	17,148	24,276
Suburban	5,501	4,887	32,819	34,807
Pickups	35,935	35,673	242,573	260,762
Chevrolet	109,259	97,698	687,676	732,307
Vans	6,721	6,652	42,156	45,181
Ram Wagon	2,370	3,385	19,233	25,860
Voyager	16,402	8,416	80,493	67,747
Caravan	17,033	9,224	85,406	70,615
Mini Ram Van	1,346	1,180	8,235	9,356
Ram 50	6,099	5,386	41,165	42,747
Raider	1,987	0	10,919	0
Ramcharger	1,689	2,160	14,169	13,557
Dakota	8,171	497	61,998	859
Pickups	6,487	9,297	58,212	56,643
Chrysler	68,305	46,180	422,886	332,363
Vans	3,628	3,903	23,023	22,917
Safari	3,062	2,617	19,378	19,135
S-15	4,528	3,714	29,094	29,584
S-15 Jimmy	3,140	3,206	20,322	22,792
Jimmy	327	823	4,727	6,045
Caballero	191	191	1,048	1,664
Suburban	1,710	1,652	11,269	11,123
Pickups	10,115	10,284	66,469	69,731
P Model	458	587	3,248	2,766
W-4	148	131	844	686
GMC	27,605	27,027	180,942	182,448
Wrangler/CJ	2,551	2,815	17,694	20,070
Wagoneer	956	742	7,287	5,811
Cherokee	9,757	8,338	61,361	56,329
Grand Wagoneer	1,020	1,127	7,462	8,530
Comanche	3,040	2,829	20,248	17,386
J-10/J-20	106	127	997	933
Jeep	16,513	16,069	119,837	109,059
Toyota	30,872	54,356	169,223	239,903
Nissan	14,482	27,305	130,356	136,327
Mazda	11,433	12,257	75,956	85,849
[illegible]	7,757	7,481	53,262	46,016
[illegible]	4,133	2,988	21,806	18,507
Isuzu	6,008	4,340	53,262	26,941
Subaru	85	492	1,052	1,974
Suzuki	0	0	1,023	0
Imports	77,754	109,519	504,939	555,517
Industry Total	423,252	400,885	2,948,179	2,866,096

AMC donates war workhorse
Roy D. Chapin Jr., former American Motors chairman, sits in a World War II Jeep that AMC donated to the Henry Ford Museum, Dearborn, Mich. The 1943 Kaiser Jeep was restored by AMC and will appear in the museum's permanent "The Automobile in American Life Exhibit," beginning Nov. 6. AMC acquired Kaiser Jeep Corp. in 1970 under Chapin's leadership.

Missouri auction to pay $600,000 for rollbacks; state expands drive

JEFFERSON CITY, Mo. — A Joint Task Force on Odometer Fraud will be formed in Missouri following the successful prosecution of one of the largest automobile auctions in the country.

The owner of the 166 Auto Auction, Springfield, pleaded guilty in U.S. District Court for the Western District of Missouri recently to misrepresenting mileage on used cars and agreed to pay $600,000 in fines and restitution.

Federal authorities described the July 28 settlement with Melvin Reid's 166 Auto Auction as unprecedented, saying that no previous odometer rollback case in the country led to such a large penalty. Reid was not charged, said an official.

The company pleaded guilty to six misdemeanor counts of a 137-count federal indictment and agreed to pay $300,000 in fines and another $300,000 for a consumer restitution fund.

For five years, state and federal officials will closely monitor activities at the auction.

Springfield attorney Bill Wendt, the official representative of the corporation, said used cars with rolled-back odometers were sold through the company. Some employees knew of the sales, but Reid, who with his family owns the auction, did not, Wendt said.

The federal indictment said the auction and other conspirators sold more than 1,000 high-mileage cars with reset odometers between Aug. 10, 1981 and February 1984. Lowered mileage allegedly totaled more than 16 million miles.

Fifty percent of all used motor vehicles sold at the auction in 1983 had odometers reset, the indictment charged.

Five employees of the auction were indicted. Two of them pleaded guilty to conspiring with other agents of the auction to sell rollback vehicles and are awaiting sentencing. The other three are awaiting trial on similar charges.

The restitution fund will provide money for current or former owners of cars sold at the auction from 1980 through last Tuesday if odometers on the cars were rolled back before being sold.

The court will appoint an administrator to oversee the fund. Federal officials believe at least 1,000 cars are involved. They said the administrator will seek out affected consumers using records from the auction.

Current owners can receive $1,500 or three times their actual damages, whichever is greater. Former owners can receive three times their actual damages. All claims must be paid within 2½ years.

Defrauded consumers could reject the payment and instead pursue civil suits against the auction, officials said.

Missouri Attorney General William L. Webster said the task force will have representation from offices of the Missouri attorney general, U.S. attorney, Missouri Highway Patrol and Department of Revenue.

"We believe joining resources and investigative powers can result in an increased enforcement effort as it applies to odometer fraud," he said.

"The $600,000 in fines and restitution that the auction has agreed to pay is the largest amount ever obtained in the prosecution of odometer rollback fraud," said U.S. Attorney Robert G. Ulrich.

In accepting the guilty pleas, U.S. District Court Judge Russell G.Clark said the agreements were in the best interests of the public and in the furtherance of justice.

Webster characterized the settlement as a landmark case, saying: "There was a real team effort. This case is a textbook example of cooperation between state and federal law enforcement agencies. Therefore, we have decided to make this a more permanent situation by the creation of the task force to monitor and investigate complaints of odometer fraud."

NHTSA backs rule change for listing vehicle mileage

WASHINGTON — NHTSA has proposed that motor-vehicle titles issued by states must have space for disclosure of odometer mileage upon transfer of title. The rule is slated to go into effect April 25, 1989.

In addition, dealers, lessors and auctions would be required to retain mileage records of cars sold for at least five years.

Although federal law has required disclosure of mileage on transfer since 1972, that disclosure is usually done on a separate form. Under the new rule, the safety agency said, "The title must include a space for the mileage of the vehicle and be printed by a secure process or, if not printed, be set forth by a secure system in order to decrease the possibility of counterfeiting or altering titles."

Lessors of vehicles with long-term contracts must also inform their lessees that the lessee is required by law to disclose the vehicle's mileage.

The new rule calls for dealers, distributors and lessors to retain mileage records on tranferred vehicles for five years, as opposed to four under the 1972 law, and requires auctions to keep similar records for the first time.

Ford donates baby seats

LOS ANGELES — Ford Motor Co. has donated 24 Infant Safety Carriers to the Exceptional Children's Foundation here. The car seats, required by California law, will be loaned to families who cannot afford to purchase them.

AUCTION DIRECTORY

SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 1 PM. Mid-South's newest auto auction.

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

DEALERS AUTO AUCTION
Dallas County, Texas 214-642-3900
Sale Every Tuesday, 11 A.M.
Full service auction. Fleet & Lease. 400 repossessions selling weekly. 4 Lanes. Ford Motor Credit, General Electric, Chrysler Credit, Citicorp Acceptance Corp., Nissan Credit, Toyota Credit, Valley Bank, Banks & Financing Companies, etc.
Contact: **Donny Gibson** or **Grady Gibson**
Member of NAAA & WAAA

TEXAS

Auctions Unlimited, 2260 East I-30, Rockwall, Texas 75087. Dallas-Ft. Worth area. Sales every Monday & Wednesday 7 PM. 214-722-9495.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4456, Caledonia, Wisconsin.

Anglo-American adds 3 sites, now owns 18

NASHVILLE, Tenn. — Anglo American Auto Auctions announced recently the purchase of three auto auctions, bringing its U.S. auction total to 18.

The Nashville-based company has acquired Mississippi Auto Auction, Hattiesburg, Miss.; Puget Sound Auto Auction, Auburn, Wash.; and Tri-City Auto Auction, Pasco, Wash. The Financial Times of London reported a purchase price of $16.59 million.

All three will continue to be managed by previous owners.

"These acquisitions strengthen our base in the Southeast and establish an immediate presence in the Pacific Northwest," said Michael J. Richardson, president and chief executive officer of Anglo American Auto Auctions.

Anglo American is a wholly owned subsidiary of the British Car Auction Group PLC, of England, and is the largest auction company in the United States.

AUCTION DATES

American Motors

Aug. 11 — D-A Auto Auction, New Stanton, Pa.

Aug. 12 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Aug. 13 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Aug. 14 — St. Louis Auto Auction, Bridgeton, Mo.

Aug. 18 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Aug. 19 — Columbus Auto Auction, Columbus, Ohio; Kansas City Auto Auction, Kansas City, Mo.; and North East Auto Dealers, Newburg, N.Y.

Aug. 20 — Corry Auto Auction, Corry, Pa.

Chrysler Corp.

Aug. 11 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; Dallas Auto Auction, Grand Prairie, Texas; and Southern Auto Auction, Warehouse Point, Conn.

Aug. 12 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

Aug. 13 — Fredericksburg Auto Auction, Fredericksburg, Va.

Aug. 14 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Model Breakdown
Auction Averages

	AUG 1987	JUL 1987	JUN 1987
1987	$11,761	$11,512	$11,113
1986	$8,980	$9,032	$9,187
1985	$7,400	$7,394	$7,191
1984	$5,760	$5,756	$5,727
1983	$5,060	$5,081	$4,852
1982	$3,679	$3,684	$3,687
1981	$2,638	$2,642	$2,680
1980	$2,059	$2,068	$2,134
Overall Average	$6,045	$6,030	$5,900

Used Car Sales
Auction Averages

August to date	$6,045
Month ago	$5,879
Year ago	$5,202

Anglo-American aids Special Olympics

NASHVILLE, Tenn. — The aviation subsidiary of auction giant Anglo American is one of 130 companies donating their business jets and pilots to fly about 900 mentally handicapped persons to the Summer Special Olympic Games in South Bend, Ind.

The Anglo American subsidiary, Flying Lion, is flying four Nashville participants and the coach to the games.

Ford Motor Co.

Aug. 12 — Atlanta Auto Auction, Red Oak, Ga.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

Aug. 13 — Dallas Auto Auction, Dallas; Skyline Auto Exchange, Fairfield, N.J.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

Aug. 19 — Concord Auto Auction, Acton, Mass.

Aug. 20 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Bay Cities Auto Auction, Hayward, Calif.; and 166 Auto Auction, Springfield, Mo.

General Motors

Aug. 11 — Florida Auto Auction of Orlando, Ocoee, Fla.

Aug. 12 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Aug. 13 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Aug. 18 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Aug. 19 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Aug. 20 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Aug. 25 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 26 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Aug. 27 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Kent, Wash.

U.S. CAR SALES BY MARKETING UNITS

	July 1987	July 1986	7 Mos., 1987	7 Mos., 1986
Alfa Romeo	630	1,005	4,052	3,871
AMC-Renault	3,844	5,430	25,813	42,680
American Honda	63,296	52,730	400,335	359,169
BMW	7,871	8,648	50,858	54,650
Buick	48,098	60,774	316,812	448,945
Cadillac	19,038	19,385	146,180	166,120
Chevrolet	134,316	136,333	909,937	1,045,496
Chrysler	28,489	31,421	165,705	206,752
Dodge	33,142	45,145	248,957	293,408
Ford	123,844	114,712	840,979	795,881
Hyundai	30,472	19,690	157,528	72,086
Isuzu	5,154	2,082	21,305	18,285
Jaguar	2,040	2,143	12,064	13,649
Lincoln	12,957	13,372	94,005	91,011
Maserati	60	80	420	928
Mazda	20,036	16,607	109,609	120,113
Mercedes	7,109	6,789	52,520	50,998
Mercury	45,917	43,346	278,921	298,704
Mitsubishi	6,984	3,434	41,131	27,197
Nissan	49,540	50,671	325,614	314,353
Oldsmobile	62,702	84,010	443,834	642,563
Peugeot	853	1,178	5,293	7,770
Plymouth	25,846	33,614	216,403	242,066
Pontiac	62,449	64,193	421,810	514,723
Porsche	2,052	2,979	14,876	17,705
Saab	4,754	4,999	26,841	28,979
Sterling	1,510	0	7,891	0
Subaru	14,436	15,568	91,950	107,031
Toyota	59,923	75,226	321,013	353,074
Volvo	8,907	11,470	70,871	74,893
VWoA	25,523	23,555	147,096	172,525
Yugo	4,038	3,020	31,072	14,860
TOTAL	915,830	953,609	6,001,695	6,600,485

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA combines imports and domestics and Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur XR4Ti and Merkur Scorpio. Ford includes Festiva. Chrysler includes Conquest. Pontiac includes Lemans.

IMPORTED CAR SALES

	July 1987	July 1986	7 Mos., 1987	7 Mos., 1986
Acura	9,667	4,456	59,838	17,405
Alfa Romeo	630	1,005	4,052	3,871
Audi	4,562	4,606	29,449	36,909
BMW	7,871	8,648	50,858	54,650
Chevrolet	12,326	12,306	72,488	91,720
Chrysler	1,036	0	7,323	0
Dodge	6,237	5,942	34,815	39,377
Ford	2,412	0	5,357	0
Honda	27,342	32,434	159,399	233,494
Hyundai	30,472	19,690	157,528	72,086
Isuzu	5,154	2,082	21,305	18,285
Jaguar	2,040	2,143	12,064	13,649
Maserati	60	80	420	928
Mazda	20,036	16,607	109,609	120,113
Mercedes-Benz	7,109	6,789	52,520	50,998
Mercury	1,922	1,506	7,055	9,179
Mitsubishi	6,984	3,434	41,131	27,197
Nissan	38,583	50,580	249,867	288,892
Peugeot	853	1,178	5,293	7,770
Plymouth	5,673	5,403	31,447	36,363
Pontiac	5,849	0	9,303	0
Porsche	2,052	2,979	14,876	17,705
Renault	1,368	244	6,938	2,288
Saab	4,754	4,999	26,841	28,979
Sterling	1,510	0	7,891	0
Subaru	14,436	15,568	91,950	107,031
Toyota	56,634	75,226	299,442	353,074
Volkswagen	14,278	12,547	77,133	90,123
Volvo	8,907	11,470	70,871	74,893
Yugo	4,038	3,020	31,072	14,860
TOTAL	304,795	304,942	1,748,135	1,811,839

Sales charts compiled by Karen Detkowski

Franchised new-car deals up in size, number in '86

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The National Automobile Dealers Association reported that franchised new-car dealerships grew in number and size for the second year in a row in 1986.

Franchised new-car and truck dealers also set records for new-vehicle sales and dollar-sales volume last year. The report, entitled NADA Data for 1987, was compiled by NADA's industry analysis division.

The association said the number of new-car dealerships increased to 25,250 on Jan. 1, 1987, up 50 for the year and up 425 since Jan. 1, 1985. NADA also estimated that the number of large dealerships — stores selling more than 750 new units annually — increased to 5,155 at the end of 1986 from 4,705 a year earlier.

Total dollar sales of all franchised new-car dealerships rose 8.8 percent to a record $283.2 billion in 1986 compared with $260 billion in 1985. The increase was led by new-vehicle sales coupled with gains in used-vehicle sales, service and parts sales, the report said. The rise in the dollar volume of new-vehicle sales reflected price increases by the manufacturers.

New-vehicle sales for calendar 1986 reached a record 16.3 million units compared with 1985's 15.7 million units, which was the previous record.

NADA reported that total dollar sales for the average franchised dealership have more than doubled during the past five years. NADA estimated that in 1986, the average franchised dealership had sales in excess of $10 million.

DOMESTIC CAR SALES

	July 21, to July 31, 1987	Same Period, 1986	July 1987	Same Month, 1986	Jan. 1 to July 31, 1987	Same Period, 1986
Alliance	0	0	2,196	3,325	16,327	28,289
Encore	0	0	0	1,391	0	7,702
Total Renault	0	0	2,196	4,716	16,327	35,991
Eagle	0	0	280	470	2,508	4,401
Total AMC	0	0	280	470	2,508	4,401
AMERICAN MOTORS	1,126	2,336	2,476	5,186	18,875	40,392
Horizon	813	4,305	2,361	10,820	37,036	64,955
Sundance	3,066	428	7,107	573	48,019	650
Turismo	458	2,076	1,169	4,146	13,104	26,338
Reliant	1,848	3,407	5,406	8,404	59,368	80,140
Caravelle	1,240	794	3,221	2,648	22,851	23,518
Plymouth	322	660	909	1,620	4,578	10,102
Total Plymouth	7,747	11,670	20,173	28,211	184,956	205,703
Laser	184	1,105	679	2,518	4,308	17,741
LeBaron K	2,182	3,262	5,551	8,167	35,555	60,766
LeBaron J	4,373	0	9,290	0	37,480	0
LeBaron GTS	1,145	2,573	2,914	5,500	20,631	37,818
Fifth Avenue	2,450	4,237	5,424	10,544	26,079	59,035
New Yorker	1,318	2,004	3,595	4,692	34,329	31,392
Total Chrysler	11,652	13,181	27,453	31,421	158,382	206,752
Omni	608	4,323	1,766	9,518	29,900	55,558
Shadow	2,871	312	7,229	444	45,831	603
Charger	424	2,181	1,162	4,556	16,964	28,585
Daytona	1,847	1,659	4,262	3,853	20,791	24,171
Aries	1,941	3,410	5,499	8,779	56,170	60,046
Lancer	932	1,814	2,382	3,856	15,805	27,737
Diplomat	511	1,348	1,278	3,175	6,859	18,433
Dodge 600	1,206	1,725	3,327	5,022	21,822	36,898
Total Dodge	10,340	16,772	26,905	39,203	214,142	254,031
CHRYSLER MOTORS	29,739	41,623	74,531	98,835	557,480	666,436
Escort	13,743	13,272	33,438	31,687	225,030	230,603
Mustang	5,424	7,407	14,265	16,828	110,538	107,875
Tempo	8,444	9,643	19,172	21,766	145,277	149,823
Taurus	12,115	8,082	30,475	19,139	205,455	121,686
Thunderbird	5,480	5,202	13,481	12,255	74,404	84,965
LTD	0	391	0	1,050	0	21,567
Crown Victoria	4,049	4,934	10,601	11,987	74,918	79,362
Total Ford Div.	49,255	48,931	121,432	114,712	835,622	795,881
Lynx	2,546	2,269	6,419	5,243	38,587	38,431
Topaz	2,199	2,375	5,859	5,672	42,130	38,880
Sable	4,470	2,803	9,449	6,848	56,673	53,781
Cougar	4,929	4,957	11,544	11,558	64,386	72,766
Capri	0	610	0	1,377	0	7,830
Marquis	0	161	0	455	2,510	9,250
Grand Marquis	4,316	4,450	10,724	10,687	67,560	68,587
Total Mercury	18,460	17,625	43,995	41,840	271,866	289,525
Continental	488	664	1,259	1,562	8,527	11,140
Lincoln	3,443	4,396	9,588	9,972	69,919	67,912
Mark VII	797	752	2,110	1,838	15,559	11,959
Total Lincoln	4,728	5,812	12,957	13,372	94,005	91,011
Total L-M Division	23,188	23,437	56,952	55,212	365,871	380,536
FORD MOTOR CO.	72,443	72,368	178,384	169,924	1,201,493	1,176,417
Skyhawk	1,370	2,552	3,233	5,607	22,139	40,814
Skylark	0	0	0	0	0	2,522
Somerset Regal	2,365	4,129	6,104	10,318	42,562	74,522
Century	4,789	8,008	10,938	18,210	85,353	139,218
Regal	2,806	2,889	6,017	6,650	31,725	49,281
LeSabre	6,525	5,142	14,013	11,225	79,926	63,810
Electra	2,902	2,892	6,796	7,180	43,041	68,974
Riviera	419	789	997	1,584	12,068	9,804
Total Buick	21,176	26,401	48,098	60,774	316,812	448,945
Cimarron	454	758	1,128	1,639	7,885	12,885
Allante	100	0	227	0	1,320	0
Seville	466	481	1,391	1,011	13,798	8,718
Cadillac	6,346	6,635	14,392	15,181	110,912	132,751
Eldorado	801	727	1,900	1,554	12,265	11,766
Total Cadillac	8,167	8,601	19,038	19,385	146,180	166,120
Chevette	158	1,584	427	4,030	15,982	41,985
Nova	7,334	8,624	19,259	17,208	94,836	92,094
Cavalier	9,296	10,716	22,738	29,376	189,603	236,619
Citation	0	26	0	46	0	1,025
Camaro	4,205	5,746	10,432	14,232	78,571	109,615
Celebrity	7,883	12,398	18,532	29,811	196,684	247,612
Corsica/Beretta	11,517	0	27,452	0	104,358	0
Monte Carlo	2,349	3,792	5,910	8,756	37,855	64,091
Chevrolet	6,020	7,754	15,217	18,075	104,335	139,662
Corvette	888	1,016	2,023	2,493	15,225	21,073
Total Chevrolet	49,650	51,656	121,990	124,027	837,449	953,776
Firenza	615	1,326	1,425	2,857	9,795	22,382
Calais	4,243	4,824	9,754	10,960	63,990	74,498
Cutlass Ciera	8,519	11,920	19,163	26,128	147,738	197,006
Cutlass Supreme	3,293	6,266	10,173	14,434	66,433	131,729
Olds 88	7,058	10,184	15,167	22,017	104,463	138,127
Olds 98	2,767	2,536	5,733	6,327	39,987	70,641
Toronado	630	524	1,287	1,287	11,428	8,180
Total Oldsmobile	27,065	37,880	62,702	84,010	443,834	642,563
Fiero	1,504	2,539	3,689	5,875	30,085	43,078
1000	77	516	205	1,276	4,328	11,570
Sunbird	2,774	3,819	6,541	10,359	52,218	70,783
Firebird	2,918	3,522	6,828	8,004	49,326	61,161
Grand Am	9,153	5,890	20,534	12,968	132,195	122,143
6000	3,730	7,223	8,894	15,519	73,110	107,627
Bonn./Gr. Prix	357	1,063	841	2,585	9,900	25,308
Grand Prix	0	1,026	0	2,528	0	24,563
Parisienne/Bonn.	4,125	2,106	9,068	5,079	61,345	48,470
Total Pontiac	24,638	27,704	56,600	64,193	412,507	514,723
GENERAL MOTORS	130,696	152,242	308,428	352,389	2,156,782	2,726,127
VOLKSWAGEN	4,170	3,575	6,683	6,402	40,514	45,493
HONDA	11,417	9,332	26,287	15,840	161,098	108,270
NISSAN	6,314	38	10,957	91	75,747	25,461
TOYOTA	1,750	0	3,289	0	21,571	0
DOMESTIC TOTAL	257,655	281,514	611,035	648,667	4,253,560	4,788,646
IMPORT TOTAL			304,795	304,942	1,748,135	1,811,839
INDUSTRY TOTAL			915,830	953,609	6,001,695	6,600,485

July sales fall 4% from 1986 total

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

July new-car sales fell below last year's total as both domestics and imports failed to match their 1986 figures.

Domestic sales dipped 5.80 percent. Import sales also slipped, but by only 0.04 percent.

Domestic dealers delivered 611,035 cars, down from the 648,667 units sold in July 1986.

The imported total was 304,795, a decline of 147 units from last year's 304,942.

The overall total of 915,830 was off 3.96 percent from the 953,609 units sold in July 1986.

Deliveries of domestic-built cars for the last 10 days of July totaled 257,655, off 8.48 percent from the 281,514 delivered a year earlier.

The daily-selling rate for domestics dropped for the 10-day period and for the month. Domestic cars were sold at a rate of 25,766 a day in the last 10 days of July, compared with 28,151 a day in 1986. There were 10-selling days in both periods.

The average selling rate for the month was 23,501 a day, down from 24,949 last year. Both months had 26 selling days.

For the first seven months of the year, new-car sales slipped 9.07 percent to 6,001,695 from 6,600,485.

Domestic sales at the end of July totaled 4,253,560, down 11.17 percent from 4,788,646 a year earlier.

Import sales were down 3.52 percent for the seven-month period — 1,748,135 this year vs. 1,811,839 last year.

Sales gains for July were reported by four domestic makers. Nissan's sales of domestic cars increased to 10,957 from 91 last July when its plant in Smryna, Tenn., was down for model changeover. Honda sales rose 65.95 percent from the year-ago month's; Ford Motor reported an increase of 4.99 percent; and Volkswagen was up 4.39 percent.

Sales declines for the month were reported by American Motors, down 52.26 percent; Chrysler Motors, off 24.59 percent; and General Motors, down 12.48 percent.

Toyota, which was not selling U.S.-built cars last July, sold 3,289 this year.

July's market was split this way: GM took 33.67 percent; Ford, 19.48 percent; Chrysler, 8.14 percent; Honda, 2.87 percent; Nissan, 1.20 percent; Volkswagen, 0.73 percent; Toyota, 0.36 percent; and AMC, 0.27 percent. Imports accounted for 33.28 percent of the market.

Hyundai's sales for July were the highest for any month since it entered the U.S. market in February 1986.

Mitsubishi posted an increase of 103 percent over last July's sales, due mainly to an increase in its dealer network and the addition of the Precis line, which was not sold in the U.S. at this time last year.

Where the U.S. market was July 1987

	Total Sales	Pct. of Total
SUBCOMPACT	135,295	14.77
COMPACT	111,646	12.19
INTERMEDIATE	233,990	25.55
STANDARD	76,977	8.41
LUXURY	53,127	5.80
IMPORT	304,795	33.28
TOTAL	915,830	100.00

July output plummets

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto production during July was affected severely by the number of plants idle for model changeover.

July's output of 354,980 was the lowest for any month since February 1982 when 311,926 cars were assembled. The month's production was also the lowest for any July since 321,017 in 1958.

Last month's output was 45.49 percent below June's 651,261 and 30.75 percent below the year-ago month's 512,588.

Model changeover continues to affect weekly production. Targeted output of 68,697 cars last week was 4.91 percent below the previous week's 72,245 and 10.47 percent below last year's 76,733.

As reported earlier, Volkswagen of America's Westmoreland, Pa., plant is down for model changeover until Sept. 14.

The following GM plants remain idle for model changeover: Buick City in Flint, Mich., until Aug. 11; Janesville, Wis., until Aug. 11; Lansing (No. 2), Mich., until Aug. 12; Willow Run, Mich., until Aug. 14; Bowling Green, Ky., until Aug. 17; Tarrytown, N.Y. until Aug. 17; Orion Township, Mich., until Aug. 17; Van Nuys, Calif., until Aug. 17; Lordstown, Ohio, until Aug. 24; Detroit-Hamtramck, (excluding the Allante line) until Aug. 24; Pontiac Fiero plant in Pontiac, Mich., until Aug. 24; Arlington, Texas, until Sept. 14; Framingham, Mass., until Sept. 14; and Doraville, Ga., until Sept. 14.

Ford's Lorain, Ohio, plant was idle last week because of a parts shortage. The plant is expected to resume production today.

Ford's Kansas City, Mo., plant remains closed for changeover.

Truck assembly highest since '78

July's truck production of 275,857 was the highest for that month since the July 1978 count of 278,020.

Last month's output was 17.64 percent below June's 334,926 but 1.23 percent more than the year-ago month's 272,515.

Last week's scheduled production of 65,767 trucks was 7.81 percent below the prior week's 71,335 but was 12.41 percent more than the year-ago week's 58,504.

As reported earlier, General Motors' Janesville, Wis., plant remains idle until Sept. 8 for model changeover. Ford Motor Co. slated Saturday overtime at three plants: Norfolk, Va.; Lorain, Ohio; and Twin Cities, Minn.

July a loser on Canada's charts

Production of cars in Canada for July totaled 36,183, the lowest for any month since September 1981 when 22,690 cars were built. The month's output was also the lowest for any July since 1967 when 31,926 units were assembled.

Last month's car production was 53.58 percent below June's 77,953 and 38.17 percent below the year-ago month's 58,519.

Because of plant closings for vacation and model changeover, last week's targeted car production dipped to 1,730 units, down 77.67 percent from the previous week's 7,749 and 80.60 percent below the year-ago week's 8,918.

July's truck production of 41,899 was the lowest for that month since 1983 when 26,896 units were built. Last month's truck output was 47.51 percent below June's 79,830 and 13.90 percent below the year-ago month's 48,662.

Scheduled production of 9,111 trucks last week dipped slightly (0.38 percent) from the prior week's 9,146 and was 10.42 percent below the year-ago week's 10,171.

CANADIAN CAR	Week Ended Aug. 8, 1987	Week Ended Aug. 9, 1986	Week Ended Aug. 1, 1987	July Total	Jan. 1 to Aug. 9, 1986	Jan. 1 to Aug. 8, 1987
AMERICAN MOTORS	110	0	98	244	2,382	3,303
FORD MOTOR	500	8,918	5,456	14,593	315,163	290,056
GENERAL MOTORS	800	0	1,552	18,577	330,185	164,020
HONDA	320	0	418	1,761	0	6,832
VOLVO	0	0	225	1,008	6,451	6,417
Total Cars, Canada	1,730	8,918	7,749	36,183	654,181	470,628
U.S. TRUCK☆	**Week Ended Aug. 8, 1987**	**Week Ended Aug. 9, 1986**	**Week Ended Aug. 1, 1987**	**July Total**	**Jan. 1 to Aug. 9, 1986**	**Jan. 1 to Aug. 8, 1987**
CHEVROLET	15,314	15,670	19,135	103,963	741,943	705,049
DODGE	3,500	2,958	4,089	12,366	55,983	149,320
FORD	27,485	26,994	28,294	87,018	867,169	894,955
GMC	8,460	7,021	8,587	34,929	225,369	238,175
NAVISTAR	1,678	1,588	1,643	2,314	43,292	43,358
JEEP	4,450	0	4,761	14,383	109,302	132,387
NISSAN	2,130	1,923	2,073	6,234	75,236	50,030
AM GENERAL*	450	50	450	2,070	1,562	8,460
MISCELLANEOUS*	2,300	2,300	2,300	12,580	70,840	71,000
Total Trucks, U.S.	65,767	58,504	71,335	275,857	2,190,696	2,292,734
CANADIAN TRUCK	**Week Ended Aug. 8, 1987**	**Week Ended Aug. 9, 1986**	**Week Ended Aug. 1, 1987**	**July Total**	**Jan. 1 to Aug. 9, 1986**	**Jan. 1 to Aug. 8, 1987**
AMERICAN MOTORS	750	0	785	1,872	17,065	19,616
CHRYSLER	3,560	7,197	1,430	14,673	240,657	244,248
FORD	2,888	2,830	3,171	4,642	98,000	89,638
GENERAL MOTORS	1,733	0	3,540	20,401	172,031	131,974
NAVISTAR	180	144	220	311	5,803	5,498
Total Trks., Canada	9,111	10,171	9,146	41,899	533,556	490,974
N. Am. Trucks	74,878	68,675	80,481	317,756	2,724,252	2,783,708

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Aug. 8, 1987	Week Ended Aug. 9, 1986	Week Ended Aug. 1, 1987	July Total	Jan. 1 to Aug. 9, 1986	Jan. 1 to Aug. 8, 1987
AMERICAN MOTORS	0	1,474	0	0	32,869	15,994
Renault Total	0	1,474	0	0	32,869	15,994
Alliance	0	1,474	0	0	29,522	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	13,100	17,139	8,754	44,808	831,590	645,589
Plymouth Total	4,400	5,935	2,783	8,993	249,381	191,691
Horizon	0	3,082	0	0	104,845	32,997
Sundance	800	1,165	284	2,545	7,408	57,378
Reliant	2,500	908	2,026	4,042	97,557	66,884
Caravelle	500	548	0	1,387	28,223	30,519
Gran Fury	600	232	473	1,019	11,348	3,913
Chrysler Total	4,500	4,229	3,184	22,018	262,319	219,886
Laser	0	0	0	0	27,239	0
LeBaron K	1,000	0	958	1,547	53,872	44,868
LeBaron J	0	0	0	8,638	0	70,194
LeBaron GTS	300	1,048	120	1,200	43,740	24,229
N. Yorker/E-Class	1,300	692	0	2,232	47,784	48,093
Fifth Avenue	1,900	2,489	2,106	8,401	79,684	32,502
Dodge Total	4,200	6,975	2,787	13,797	319,890	234,012
Daytona	0	0	0	3,072	30,807	33,909
Omni	0	3,054	0	0	100,914	28,363
Shadow	900	1,006	304	2,766	6,644	58,833
Aries	2,300	715	1,805	3,593	75,780	63,472
Dodge 600	400	516	0	1,216	47,156	27,322
Lancer	200	561	93	819	34,827	15,301
Diplomat	400	1,123	585	2,331	23,762	6,812
FORD MOTOR	22,990	30,095	32,505	94,391	1,092,108	1,140,390
Ford Division	17,145	19,666	23,587	71,776	747,602	810,379
Escort	7,159	8,060	8,035	24,454	235,389	227,769
Mustang	2,439	0	3,929	12,882	120,674	129,069
Tempo	0	3,569	0	0	121,135	99,830
Taurus	7,547	4,988	8,247	23,659	173,366	255,544
Thunderbird	0	3,049	3,376	10,781	97,038	98,167
L-M Division	5,845	10,430	8,918	22,615	344,506	330,011
Mercury Total	2,371	7,376	5,185	15,610	236,202	223,538
Lynx	2	1,422	206	696	39,878	21,352
Capri	0	0	0	0	11,011	0
Topaz	0	927	0	0	36,474	32,858
Cougar	0	3,035	2,257	7,177	77,664	87,655
Sable	2,369	1,992	2,722	7,737	73,175	81,673
Lincoln Total	3,474	3,054	3,733	7,005	106,304	106,473
Continental	0	306	0	0	12,034	9,610
Lincoln	2,896	2,283	3,110	5,836	79,657	80,818
Mark VII	578	465	623	1,169	14,613	16,045
GENERAL MOTORS	19,477	19,141	18,160	165,031	2,653,848	2,144,243
Buick Total	130	4,275	1,212	24,859	484,195	334,518
Skyhawk	0	430	0	515	53,952	16,451
Century	0	6	0	7,991	151,867	103,225
Regal	0	1,398	1,112	5,522	37,853	29,200
Somerset/Skylark	0	0	0	357	70,519	37,072
LeSabre (fwd)	0	1,328	0	9,244	87,318	80,693
LeSabre (rwd)	130	310	100	432	9,244	5,831
Electra (fwd)	0	12	0	798	56,090	53,545
Riviera	0	791	0	0	17,562	8,501
Cadillac Total	1,957	4,421	729	4,776	203,662	164,871
Cimarron	7	143	0	0	16,603	7,496
Allante	150	0	183	645	0	2,962
Brougham (rwd)	1,800	1,732	546	3,392	51,704	40,586
DeVille (fwd)	0	1,053	0	739	102,455	90,573
Eldorado	0	762	0	0	15,766	10,534
Seville	0	731	0	0	17,134	12,720
Chevrolet Total	13,830	6,406	13,854	84,349	812,553	835,491
Chevette	0	0	0	0	61,031	0
Camaro	2,382	0	2,301	12,400	115,669	72,598
Cavalier	0	4,239	0	11,008	257,220	204,851
Celebrity	0	0	0	11,560	162,723	192,484
Corsica/Beretta	8,000	0	7,669	32,708	0	186,839
Monte Carlo	0	2,167	912	4,428	71,897	42,027
Chevrolet	3,448	0	2,552	9,715	127,707	118,609
Corvette	0	0	420	2,530	16,306	18,083
Oldsmobile Total	2,412	3,225	1,250	16,310	656,660	394,178
Firenza	239	207	0	475	23,400	2,258
Calais	0	0	0	1,193	74,919	69,547
Cutlass Ciera	0	0	0	1,165	168,642	99,968
Cutlass Supreme	0	1,117	1,250	6,155	84,031	45,538
88 (fwd)	1,566	0	0	6,414	212,482	109,014
88 (rwd)	0	264	0	174	11,749	10,656
Olds 98	607	1,065	0	734	68,433	38,476
Toronado	0	572	0	0	13,004	10,127
Pontiac Total	1,148	814	1,115	34,737	496,778	415,185
Acadian*	0	0	0	0	9,864	0
Fiero	0	0	0	133	44,332	20,689
1000	0	0	0	0	11,792	0
Firebird	965	497	958	6,603	70,440	49,860
2000 Sunbird	0	0	0	0	84,346	60,295
Grand Am	0	47	0	12,787	139,165	149,576
6000	0	0	0	4,878	95,588	46,689
Bonneville	0	0	0	9,692	0	79,946
Safari/Parisienne	183	270	157	647	41,251	6,130
HONDA	6,780	5,152	6,194	22,543	121,333	202,810
Civic	1,830	0	1,966	6,965	0	66,960
Accord	4,950	0	4,228	15,578	0	135,850
NISSAN	2,600	0	2,593	7,815	21,517	79,997
NUMMI	3,750	3,731	4,039	17,616	124,339	120,778
Corolla	750	0	909	3900	0	25,258
Nova	3,000	0	3,130	13,716	0	95,520
VOLKSWAGEN	0	0	0	2,776	50,282	43,129
Golf/GTI	0	0	0	1,897	0	34,775
Jetta	0	0	0	879	0	8,354
Total Cars, U.S.	68,697	76,733	72,245	354,980	4,927,886	4,392,930
Total Cars, Canada	1,730	8,918	7,749	36,183	654,181	470,628
N. American Cars	70,427	85,651	79,994	391,163	5,582,067	4,863,558
N. Am. Trucks	74,878	68,675	80,481	317,756	2,724,252	2,783,708
North American Cars and Trucks	145,305	154,326	160,475	708,919	8,306,319	7,647,266

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Ford to build more truck automatics

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division expects that its tight supplies on light trucks with automatic transmissions will ease by the 1989 model year.

The shortage, which is focused on F-series light trucks, is a company-wide problem stemming from unanticipated demand for large cars and pickups, said Bill Wilcox, truck marketing plan manager.

But a transmission line will be replaced next year, adding automatic capacity. An improved manual transmission coming this fall from ZF of West Germany also is expected to help the situation.

Ford uses the same automatic transmission on its Crown Victoria/Grand Marquis series as it does on its F-series models. The cars haven't been affected because the division has concentrated the shortage on trucks, Wilcox said.

To offset the demand, Ford has been stimulating activity on some F-series models with manual transmissions by offering about $1,000 worth of free equipment on each sale. Wilcox said he expects that program to continue in some fashion through the start of the 1988 model year.

Currently, about half of the F-Series trucks come with automatics — a percentage that would be higher if it weren't for the shortage, Wilcox said. The shortages will persist company-wide in the 1988 model year, he said.

A new transmission line will be put in place next year at Ford's Sharonville, Ohio, plant to ease the bottleneck.

"The volumes at Sharonville will certainly be higher," Wilcox said. "And internally we have to decide how to allocate the volume. It's not clear exactly yet what our specific operating patterns are going to look like and how much improved the truck automatic situation will be."

The new five-speed manual transmission with overdrive will be available on 1988 models and is expected to attract some buyers who might normally buy an automatic.

While Wilcox hesitated to say exactly when the automatic shortage will be resolved, dealers said the division had indicated they will be over in a year.

A decline in sales would also improve the situation, although not in the way Ford wants. Ford plants have been producing at capacity for about three years now.

Wilcox said the shortage has its roots in the shift toward smaller cars in the 1970s. At the time, large rear-drive transmission capacity seemed adequate. The company was caught off guard by this decade's surge in demand for large cars and pickups.

Ford Missouri plant fights drugs, alcohol

ST. LOUIS — Ford Motor Co.'s assembly plant in Hazelwood, Mo., staged a program on drug and alcohol abuse earlier this month.

Cosponsors included Holiday Inn North and McDonald's Restaurants of Greater St. Louis and Metro East. The program originated with the Ford-UAW Employee Assistance Program Committee at the assembly plant.

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AUTOMOTIVE NEWS/JOE WILSSENS

Casing the merchandise at cleanup time
Price tags may bring sticker shock, and that is the situation that end-of-model incentives are designed to remedy. This couple went shopping for a car at a General Motors dealership after the "Big One" came back. **Story on Page 6.**

Chrysler eyeing big price hikes for some '88s

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors has tentatively raised prices an average of 7 percent on its Chrysler, Plymouth and Dodge cars for the 1988 model year.

The analysis of pricing information distributed to dealers was not sales-weighted or adjusted for changes in standard equipment on the 1988 models.

Chrysler has not announced its 1988 pricing but has distributed to dealers a tentative price schedule. In recent years, those early prices have run very close to Chrysler's final pricing schedule.

Substantial price hikes on some models reflect Chrysler's move to include more items in standard equipment packages, dealers said.

For example, the 1988 Chrysler New Yorker Turbo is tentatively priced at $17,373 which is 20 percent higher than the 1987 model year price of $14,396. The turbocharged engine was a $678 option on the 1987 model.

Chrysler Motors maintained its introductory-level prices on cars throughout the 1987 model year.

The 1988 Chrysler LeBaron coupe in the base version is tentatively priced 1.5 percent above the 1987 model. However, the premium version is tentatively increased 12.5 percent from $12,288 in 1987 to $13,830 in 1988, dealers said.

Similarly, the Dodge Caravan LE and Plymouth Voyager LE tentatively jump 14.6 percent from the current $11,741 to $13,462 in 1988. The Grand Caravan LE and Grand Voyager LE show tentative increases of 23.4 percent from $12,561 to $15,509.

Base versions of the Caravan and Voyager tentatively rise 4.5 percent, according to dealers. Standard SE minivans show a tentative 6.5-percent hike, and stretched SE minivans in the SE version get a 6.3-percent boost.

Dealers said some of the increases reflect additions in standard equipment. In some models, including the premium LeBaron coupe, for example, air conditioning becomes standard.

Dealers said they have not been given tentative prices for the new 1988 luxury sedans, the Chrysler New Yorker, Chrysler New Yorker Landau and Dodge Dynasty. Chrysler also has not notified dealers of the pricing of the 1988 Dodge Omni and Plymouth Horizon America models which go back into production in September.

Tentative 1988-model prices obtained from dealers indicate that Chrysler will add a premium version of its LeBaron convertible priced at $18,079.

The base convertible tentatively declines $15, from $13,974 in 1987 to $13,959 in 1988.

The Dodge Aries/Plymouth Reliant lineup changes in 1988, according to the pricing information: There will be only one two-door and one four-door version, both LE models. Both are tentatively priced at $8,364, unchanged from 1987. The base Aries/Reliant models

see CHRYSLER, page 69

Daihatsu seeks N. America tie

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

OSAKA, Japan — Daihatsu Motor Co. is searching for a new North American production source for its fledgling U.S. sales operation.

The head of the Japanese company's overseas project office said Daihatsu is considering several options after a tentative joint venture between Daihatsu and Canada's Bombardier was called off in June.

Haruo Fujii, who doubles as chief of the project development group, said options include another joint venture, taking over an existing U.S. or Canadian assembly plant or contract sourcing, whereby an existing North American producer would build cars to specification using Daihatsu tooling.

That would be similar to the arrangement Chrysler and American Motors worked out to build Chrysler M-body cars before AMC was absorbed by Chrysler.

The contract sourcing was not originally considered by Daihatsu. "But after the Bombardier talks broke off, many offers came to us," Fujii said.

However, no decision will be made until Daihatsu learns what its future U.S. allocation will be under the Japanese government's car-export quota, Fujii said.

Daihatsu is limited to 11,498 cars in its initial effort in the United States or one-half of one percent of the entire Japanese export allocation of 2.3 million cars for the year ending March 31, 1988.

Daihatsu has delayed its launch date to Dec. 1 to enable it to bunch the 11,498 units into the final four months of the quota year. Daihatsu had expected to receive an initial allocation of at least 20,000 cars.

"We will aggressively pursue a larger allocation this year," Fujii said.

He would not speculate whether Japan's Ministry of

see DAIHATSU, page 71

COP FLOP

Police brass tell makers of problems in vehicles

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

ORLANDO, Fla. — Law enforcement officials say they have plenty to do without worrying whether the vehicles they drive will catch fire, experience steering lock-up or lose their brakes.

But, according to police fleet administrators, officers do need to worry about those problems.

State and local police also are concerned that some of the problems they encounter are shared by the civilian versions of their patrol vehicles, though they admit their modified cars are driven much harder than the average citizen's vehicle. Unfortunately, they often do not report those problems to NHTSA.

According to police fleet managers gathered here for the National Association of Fleet Administrators' Law Enforcement Seminar, problems in police fleets include:

Police complain that hard braking causes Dodge Diplomat to spin

AUTOMOTIVE NEWS/GEOFF SUNDSTROM

Ford Crown Victoria:

- High levels of carbon monoxide in the car.
- Cracked or broken diaphragm on the carburetor causes exhaust system to heat up and results in fires.
- Prolonged use of four-way safety flasher causes fuse block to melt.

Ford Mustang:

- Heat shield on the exhaust manifold cracks

see POLICE, page 69

Dealer total off 74 for 1st half; GM down 80

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A decline by General Motors cut the number of dealerships handling domestic makes of cars in the first six months of 1987.

The latest Automotive News census found 20,331 domestic-car outlets on July 1, down 74 from the 20,405 in operation at the beginning of the year. But GM alone suffered a drop of 80 locations.

Elsewhere, Chrysler Motors posted a gain of 28 car dealerships. Ford Motor Co. was down 13; American Motors-Renault was off 19; and Volkswagen reported the same total for both census dates. A

see CENSUS, page 70

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Parts strikes shut all Korean plants
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Wixom expansion means millions for Ford
Page 3

Stocks dip in July; early August sales rise
Page 47

Wixom expansion could give Ford $1 million

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. is making investments at its luxury-car plant in Wixom, Mich., that could add $1 million a day to its pre-tax profit.

A new paint shop now being built will break up a production jam and allow Ford to manufacture about 10 more units an hour, said Sam Mills, manager of paint process and systems. The plant now turns out 43 Lincoln Mark VIIs, Town Cars and Continentals hourly.

Analysts project that Ford earns an average of about $6,000 before taxes on each Lincoln it now builds.

As the plant has been running two shifts daily, the new paint shop will allow Ford to build at least 160 additional cars per day. Any overtime could boost the daily output by as much as 40 cars.

Four auto analysts and an accounting expert surveyed by Automotive News agreed that at those rates, the added production would generate between $960,000 and $1.2 million in pre-tax earnings per day. Multiplied by 220 working days a year, the added earnings would amount to at least $211 million annually. Taxes would take about 41 cents from each of those dollars, analysts said.

Mills said that Ford hasn't awarded all the construction contracts for the paint shop, and he declined to put a price tag on it. Analysts estimate the cost in the $250 million to $300 million range. If that cost is written off over 15 years, the shop would account for $16 million to $20 million in depreciation charges annually.

Another factor affecting profitability would be the development costs for the new 1988 Continental, which Ford will likely continue writing off as the paint shop comes on stream.

"When you open up a bottleneck like that, and they can move them (the cars), the return on investment is pretty good," said David Healy, an auto analyst at Drexel Burnham Lambert.

A Ford spokeswoman declined to comment, citing the company's policy of not revealing internal financial information. But she pointed out that any earnings projections are speculative, especially when events such as an increase in fuel prices or a shift in consumer tastes could sharply curtail the public's appetite for luxury cars.

The Wixom plant, which turned out 183,035 cars last year, is already a significant contributor to Ford's profits. Ford earned a record $3.3 billion in 1986 and nearly $3 billion in the first half of this year.

The paint shop isn't expected to be operating until at least August 1988. And while continued demand for the Lincolns can't be guaranteed, dealers are now reporting short supplies.

At the end of July, average inventory levels for the Lincoln line stood at a lean 46 days. Additional demand is anticipated this fall when the next-generation Lincoln Continental goes on sale.

"It's a hell of a good problem to have," said Bob Tasca Jr., a Lincoln-Mercury dealer in Seekonk, Mass. "I think they missed a lot

see WIXOM, page 72

Damoose heads back to Chrysler

Quits top Audi post to head sales and marketing in Canada

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — John B. Damoose, the young executive whose take-charge efforts won him acclaim for pumping life back into Audi of America, resigned last week, nine months after taking the job.

He will become vice president of sales and marketing for Chrysler Canada. When he left Chrysler Motors last fall, he was general manager of marketing for Dodge Division.

By his own account, Damoose, 40, is leaving a company that has advanced just a fraction of the way toward recovering from the crisis he was brought in to resolve. His tenure at Audi was marked by significant sales gains and bolstered dealer confidence.

Damoose

Yet the charges and confusion over sudden acceleration in the Audi 5000 persist. Just last month, a New York consumer group called Audi's shift-lock device a failure. And the company hasn't demonstrated that its cars can be sold without generous incentives.

Damoose made it clear, though, that he had no doubt about Audi's continued progress: "If I didn't think the crisis was over, no opportunity would have lured me away."

Chrysler's offer was unexpected and unsolicited, Damoose said. He said he is anxious to work again with the people he developed an affection for as the company battled its own trouble earlier in this decade. "The long-term prospects (at Chrysler) looked very good," he said. "I don't think I would have considered anything other than Chrysler."

Volkswagen of America President Noel Phillips will assume Damoose's duties as VWoA vice president in charge of Audi until a replacement is found. The company said it was caught off guard by the announcement, and a search for a successor could take as long as two months.

However, there had been rumors about Damoose interviewing at Chrysler. "I think many of us expected something like this to happen," said an Audi employee who worked with him. "I think there was great frustration on his part that was insurmountable . . . frustration with the way the organization ran and frustration with Germany. We're an importer, and he wasn't used to working under that system."

Damoose, while acknowledging those differences, maintained that they had nothing to do with his decision to leave.

From his earliest days on the job, Damoose is said to have immersed himself in the crisis. He arrived in November, just before CBS aired its damaging report about the Audi 5000 on "60 Minutes," and he told dealers that combatting the sudden-acceleration issue would be his first priority.

Damoose later said that he was surprised at the seriousness of Audi's problems. And those troubles were compounded by a stagnant U.S. sales market, a falling dollar and an infusion of competition in Audi's price range.

A joint committee of dealers and Audi officials formulated a series of incentives and other programs to carry the franchise through the launch of some new products this fall. Damoose was able to sell the ideas to Volkswagen AG under the premise that serious problems required dramatic solutions.

Dealers credit Damoose with solving two immediate problems: regaining the confidence of Audi owners and trimming a huge inventory. A $5,000 rebate to Audi owners who chose to buy a new 5000 exceeded expectations and nearly wiped out inventories of the 1987 Audi 5000. That effort combined with factory incentives on the soon-to-be-replaced Audi 4000 left the company with an ideal 56-day supply of cars on Aug. 1.

In one sense, Damoose will be leaving at a natural break in the recovery process, the transition between the 1987 models and the eagerly anticipated Audi 80/90 series.

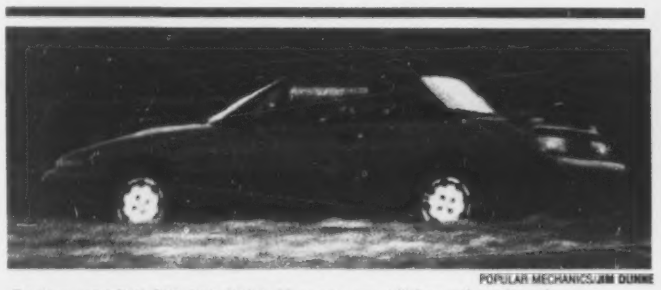
But to Fred Lavery, an Audi dealer in Birmingham, Mich., and a member of the dealer committee, the advances so far might prove to be the easiest.

"We've been very successful in achieving some major short-term sales gains, and that was obviously something that had to be done," Lavery said. "But in the long run, re-establishment of the franchise after digging it out from the problems that unintended acceleration caused is a process that really, from a strategic basis, is just now beginning. I think that until you've got through all those issues, the leadership issue is very important. Any change over the next 24 months, you could categorize as critical."

At Chrysler Canada, Damoose replaces Theodor R. Cunningham, who will become executive director, Dodge and Dodge truck marketing, for Chrysler Motors in Detroit. Damoose will work in Windsor, Ontario, beginning Sept. 1.

Damoose and Cunningham are part of a bigger personnel reorganization of Chrysler's sales and marketing department due in part to Chrysler's acquisition of American Motors on Aug. 5.

Joseph A. Campana, formerly vice president of marketing for Chrysler Motors, was appointed vice president of Chrysler-Plymouth marketing. Arthur C. "Bud" Liebler, previously general marketing manager — Chrysler, was named director of marketing services. Joseph E. Cappy, formerly president of American Motors, was appointed group vice president-Jeep-Eagle marketing. Jeep-Eagle encompasses the former AMC operations.


POPULAR MECHANICS/JIM DUNNE

Dealers said $11,000-$12,000 L-M sports car will be well equipped

Next: Australian Capri

Venerable badge for Mazda derivative

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Lincoln-Mercury will likely revive the Capri nameplate for its new convertible sports car scheduled for introduction in 1988.

Dealer and advertising sources said L-M is expected to put the established badge on the 2+2 roadster to be built by Ford of Australia. The previous Mercury Capri, a companion to the Ford Mustang, was discontinued last year.

The new Capri is expected to more than fill the void left by its predecessor. Dealers see the car as a chance for L-M to broaden its appeal and attract some youthful buyers. And as a Mercury exclusive, it will not have to compete for an image or its share of production in the shadow of a Ford make.

Dealers said the car will be well equipped and will sell in the $11,000-$12,000 range. Among a handful of options will be be air conditioning, automatic transmission and a hardtop version.

The car will carry a 1.8-liter, four-cylinder engine with a naturally aspirated overhead cam. A turbocharged version also will be offered. L-M is thinking about offering a 2.3-liter engine sometime after the car's launch, dealers said.

Sources at Ford Motor Co. have said the car will be made at Ford of Australia's Broadmeadows factory with components from the Mazda 323, which is assembled and sold by Ford in Australia as the Laser. Ford's Ghia center in Turin, Italy, designed the car, and it was developed by Italdesign SpA.

The company expects to ship about 40,000 units annually to the United States.

The new Capri will give the Mercury brand a second product of its own: the Mercury Tracer, which replaced the Lynx earlier this year, is also exclusive to the division. Tracer also is based on the Mazda 323. The U.S. version of the Tracer is built in Hermosillo, Mexico. Company sources said some production of the new Capri could be shifted to Hermosillo if needed.

The Capri nameplate also was used on an imported German coupe sold by Mercury in the United States from 1970 to 1978.

Mustang safe through 1991

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. has determined the fate of the Mustang.

The sporty rear-wheel-drive Mustang will continue to be produced through the 1991 model year, and Ford engineers have plunged into development of an air-bag system for the car.

The high investment cost of a new passive-restraint system was among the factors the company weighed in considering whether to keep or drop the nine-year-old Mustang platform and replace it with a Mazda product.

The Ford model that will be built by Mazda in Flat Rock, Mich., will be called the Ford Probe. The two-door model is expected to enter the market next spring.

Meanwhile, Ford product planners are studying the possibility of replacing the rwd Mustang with a next-generation Probe in the 1992 model year.

The 1992 Ford Probe, code-named ST-44, could have front-wheel drive. The company believes that by then, it will be able to produce a fwd muscle car in the tradition of Mustang, as a result of advancing technology and experience gained with fwd and four-wheel-drive systems.

According to Ford sources, the company received thousands of letters criticizing management for thinking of abandoning the popular V-8 model in favor of a less-powerful fwd version made at Mazda's new plant.

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Petersen has week-long ESPN date

WASHINGTON — Ford Motor Co. Chairman Donald E. Petersen will appear every day this week on ESPN's early morning business news program, "Nation's Business Today." The Petersen interviews — on the program's "CEO Close-Up" segment — will focus on his management style and company goals.

SERVICE MANAGEMENT

Computers speed U.S. effort to improve quality

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — To the service technician, who sees only the failures in technology, it might seem that cars have become more complicated, but hardly better. On the other hand, it can be argued that the quality of all automobiles has increased as a result of advances in technology.

At the recent Automotive News World Congress, J. David Power III, president of J.D. Power and Associates, a Westlake Village, Calif., consumer-research firm, said, "All manufacturers are making progress in quality and reliability. Some are moving faster than others, but all are moving in the right direction. They have to, or they will be left at the gate."

The common usage of computers in the design and manufacturing process may be one reason the domestic and European manufacturers are catching up to the quality and reliability of Asian manufacturers.

The most obvious advantage of computer-aided design and manufacturing processes is the increased speed at which projects can be developed. Such operations also result in a more precise rendition of the engineer's original idea and less chance of human error interrupting the design-to-manufacturing process.

Ed Lundberg, chief engineer, advanced engineering, General Motors Saginaw Division, said, "There is less potential to misinterpret the data from computer-aided design to manufacture."

In the automobile industry, it is quite common for prototypes to be machined directly from drawings or "models" that have been entered into a computer — the so-called computer-aided design to computer-aided manufacturing process.

Going a step farther, manufacturers are developing computer systems that will take an idea from computer-aided design and engineering beyond the prototype stage and onto the factory floor — computer-integrated manufacturing.

The computerized hardware used to design automobiles is commonly available, however manufacturers and suppliers compete to develop software programs that will give them an edge in developing products with higher quality.

GM has been particularly active in the development of computerized engineering aids. The company, in fact, has used computer-aided engineering tools to perform repetitive trial-and-error engineering calculations since 1965.

As a result of computerized design techniques, Larry Howell, head of engineering mechanics at the General Motors Research Laboratories, said, the quality and reliability of the entire industry should improve. But he added that it takes more than just having top-of-the-line computer hardware to develop the best cars.

"Products are more complex, and the design criteria requires developing a product that is light in weight, crashworthy and durable," Howell said. "That requires the use of more complex computer-aided design techniques to find an optimal design that meets all the requirements.

"We develop a lot of our own (computer-aided design and manufacturing) tools. We try to stay ahead of the state of the art," he said.

GM Research, for example, has developed a computer-aided design program that optimizes the structure of an automobile body.

Called ODYSSEY, the computer program allows an engineer to enter the design requirements for stress, deflection and packaging constraints of automobile body panels and structural members.

In essence, an engineer using the system will enter a design into the computer and the ODYSSEY program will alter the thickness of the body material and the cross sections of beams in the design to the optimum measurement.

GM Research is also working on a program that will alter the shape of a part in order to optimize the structure. It is also looking at the possibility of designing a program that will take into account the stress and tear levels acting on stamped sheet metal.

One of the first trials for ODYSSEY, Howell noted, was on the 1984 Corvette. Within the last year, he said, the program has become a tool that is commonly used on development projects.

GM is also working on a "factory of the future" project that will use computerized equipment throughout the design-to-manufacturing process.

Saginaw Division's Vanguard project will produce front-wheel-drive axles beginning in December.

Chris Dulski, superintendent of manufacturing engineering, Saginaw Vanguard factory of the future project, said product and manufacturing people started working on the project at the same time.

Computer-aided design and manufacturing, he said, have been a great help in spurring the simultaneous engineering of products and the manufacturing processes to build them.

In the Vanguard project, product and manufacturing engineers sat at a terminal together and "described" a solid model of the product.

Computerized "models" of the product were developed for each step of the manufacturing process and the computer was used to develop the operations that will be used in the manufacturing process.

Dulski predicted that many of the developments in Vanguard will spread throughout GM.

Rustproofing hurt by long warranties

Slow car sales, coupled with long corrosion warranties by the automakers, are causing a serious lag in the rustproofing business, both at new-car dealerships and in the aftermarket.

Vic Shanley, president of Corrosion Consultants, Redford, Mich., a supplier of rustproofing chemicals and auto reconditioning chemicals, said aftermarket rustproofing applications are off 25 percent to 40 percent.

" 'Fast-track' auto dealers are still selling rustproofing successfully, but market penetration at many auto dealerships is down," Shanley said. He estimated that

SHOP TALK

ARTHUR FLAX

rustproofing sales at auto dealerships that do not aggressively push the treatments have fallen from 80 percent to 90 percent penetration on new-car sales to 50 percent to 60 percent.

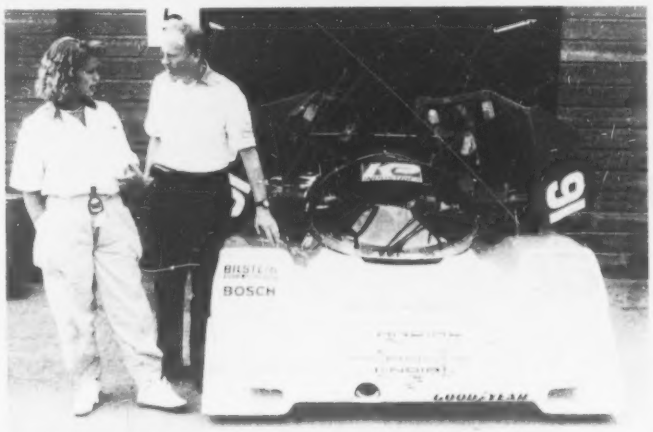
Aftermarket rustproofers also are suffering from the new-car corrosion warranties. Before the longer warranties, many new-car buyers had their cars rustproofed by aftermarket applicators, he said. However, Shanley said, used-car buyers often take advantage of aftermarket rustproofing.

He said he doesn't believe the rustproofing business will decline further and, in fact, predicts the market will eventually pick up.

But, he added, "I see the rustproofing industry changing dramatically. It's time to get innovative."

Shanley said he is making up for the market lag by selling chemicals to companies that provide rustproofing for car importers at the port. He also is finding that certain name-brand rust treatments have declined in popularity in some areas, opening a market for the sale of less expensive generic rustproofing chemicals to regional distributors.

In addition to chemicals, Shanley is marketing Rust Evader, an electronic device that is said to prevent rust. The device, which can be transferred from car to car, is said to prevent corrosion on outside painted surfaces that pick up stone chips and cracks. Traditional rustproofing treatments don't affect outside surfaces.



McQuade discusses Porsche 962 race car with driver Rob Dyson

A first for Porsche

Jennifer McQuade, service manager for Bigelow Motorcars, a Porsche dealership in Mansfield, Ohio, is the first woman to win Porsche Cars North America's Honorary Pit Crew competition.

The contest is held on a regional basis and was designed by the North American Porsche distributor and importer to recognize people who are essential to customer service. The competition requires contestants to answer 26 tough product-knowledge questions designed to stump all but the best service personnel.

As winner of the Midwest regional contest, McQuade joined the Porsche 962 pit crew of Dyson Racing during a recent race at the Mid-Ohio road racing course.

McQuade joined Bigelow Motorcars in 1984 to handle warranties. At Bigelow Motorcars, McQuade heads a team of 10 mechanics and customer service personnel.

Jaguar road aid

Jaguar is offering a roadside assistance plan for its 1988 models.

The Jaguar Service-On-Site plan includes a toll-free number for emergency calls and nationwide emergency vehicle service. Under the plan, Jaguar will provide roadside service for mechanical problems and other situations that disable a car.

Big month for Ford

Ford sold more extended service plans in June than in any other single month during the 10 years it has offered the program.

Ford and Lincoln-Mercury dealers sold more than 130,000 contracts in June, according to Terry Emrick, Ford ESP manager.

Sales of Ford extended service plan contracts this year are 22 percent ahead of the last year's, Emrick said.

Dealership service volume shows 6% pickup for June

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Automotive News Service Index bounced back in June following a slight decline in May.

Service and parts business at new-car dealerships rose 5.9 percent over the June 1986 figure.

In May, service and parts business was down 0.7 percent compared with May 1986.

Shop business during the first six months of 1987 was up 3.3 percent over the same period in 1986.

Dealers attributed the increased business to the return of new cars for service, innovative advertising and extremely hot summer weather.

All indicators, with the exception of repair orders written, showed gains in June. Repair orders, which were down 1.4 percent from last year, often lag slightly behind the other indicators. Gross profit on all labor, parts and accessories sales registered the biggest gain in June, up 11.5 percent over June 1986.

Total labor sales (customer paid and warranty) climbed 8.1 percent; shop-parts sales (customer paid and warranty) were up 7.1 percent; and sales of all parts and accessories rose 4.4 percent.

Parts and accessories sales to off-premises customers climbed 2.4 percent in June.

Gross profit on all labor parts and accessory sales also showed the biggest gain through the first six months of 1987, up 5.9 percent.

Total labor sales climbed 5.5 percent; sales of all parts and accessories increased 5.4 percent; and shop-parts sales were up 3.5 percent. Repair orders written fell 3.6 percent in the six-month period.

Parts and accessories sales to off-premises customers were up 6.9 percent through June.

SERVICE INDEX
105.9★

	June, '87 vs. June, '86	6 mos., '87 vs. 6 mos., '86
Gross Profit on All Labor and P&A Sales	+11.5%	+5.9%
Repair Orders Written	−1.4%	−3.6%
Total Labor Sales (Customer & Warranty)	+8.1%	+5.5%
Shop Parts Sales (Customer & Warranty)	+ 7.1%	+3.5%
Sales of All P&A	+ 4.4%	+5.4%

★— Survey by Automotive News shows that dealers' service and parts business in June 1987 was 105.9 percent of business in June 1986. Service business in the first 6 months of 1987 was 103.3 percent of business in the corresponding period in 1986.

Alfa offers training to boost CSI

NEW YORK — Alfa Romeo has expanded its training courses in an effort to obtain a better customer satisfaction index rating.

Thomas F.X. Tooley, service manager for the importer, said the new series of courses is open to all dealership employees who work with the public. It is not restricted to the service department, though that division is conducting the seminars.

The goal, Tooley said, is to train dealership employees to "fix the customer before you fix the car." In other words, employees must smooth the ruffled feathers of the customer before they can attempt to repair the vehicle.

The Alfa courses rely heavily on role playing and videotaping students in various situations that might occur on the job. The "instant replay" is used to critique each student.

The training courses are offered free of charge to the dealers, Tooley said, because they are "so damn important."

Q & A

CAPLINGER & PAYTON

Continued from page E6

tected themselves.

Caplinger: Right, they're all going to the option concept where you get, let's say, a luxury package with electric windows, seats and door locks. Maybe you would like a car with just electric windows and door locks, but not electric seats. But when you price it out, if you don't go with the luxury option package, you wind up paying more for the car without the option than you do with it. That keeps dealers from being able to sell people items that enable us to make money.

■ **What do car buyers think about option packages? Do they like them?**

Caplinger: Most of them don't even know about them. They don't know the difference. Most customers look at the car and want to know, has it got electric seats? Yeah. Has it got power door locks? Yeah. OK, I'll take it.

Payton: Take the case of radios. What the manufacturers do is put on an item that dealers can't add, like the tilt steering wheel, and combine that with a radio. Maybe we could sell the customer a better radio at about the same price, and we could make more money. But we're not able to do that because we need the tilt steering wheel and we can't install it at the dealership, so we've got to buy their radio with their tilt steering wheel — strictly their combination.

So, the manufacturers have become very good at marketing options, and it's one of the areas where they're making good money.

■ **What about safety options? Any profit potential there?**

Payton: Safety items don't make anybody any profit. Any safety item they put on a car, I don't care, people just say no thanks — they will not pay for them.

■ **How do you feel about the trend toward computers for use in dealer-factory communications?**

Caplinger: There's something close to my heart. General Motors came along and had us all buy some kind of communication system to tie in directly on everything — sales, service, bookkeeping. Now they come along with CAMS (computerized automotive maintenance system), a machine for the service area that's going to cost the dealer $20,000 or better. They're trying to push them on dealers as fast as they can, and it represents a dealer investment that's not going to pay off soon.

Then there's EDS (GM's Electronic Data Systems). Dealers want to know if the equipment they have in their dealerships will be compatible with what EDS is coming out with, and we're told it is. But the point is, the factory divisions are going to their dealers and saying, "Buy, buy, buy." And as long as the manufacturers control distribution, the dealers pretty well do what they're asked to do. ■

Total dollar sales for the average franchised dealership have more than doubled over the past five years. The new-vehicle department, because of record new-unit sales, has shown the largest dollar increases, but dealers have also had increases in used-vehicle and service and parts operations.

In addition to having increases in dollar sales, all dealership departments had increases in the actual unit volume of work performed. As compared to 1985, the average dealership had a 3-percent increase in new-unit sales in 1986. Used-unit sales increased 1 percent, and the total number of repair orders increased by 3 percent.

In 1986, gross as a percent of sales decreased slightly, but remained above the low levels experienced in 1982-1984. Nevertheless, the long-term trend (over the past 30 years) has been for dealerships to become increasingly large businesses that operate on increasingly thin margins, the NADA says.

Total Dollar Sales, Average Dealership

(In Millions of Dollars)

Source: NADA Industry Analysis Division

Average Dealership Profile

	1980	1981	1982	1983	1984	1985	1986	% Change 1985-'86
Total dealership sales ($)	4,757,557	5,524,971	6,136,755	7,706,694	9,330,045	10,481,683	11,269,652	7.52
Total dealership gross ($)	731,237	817,143	851,782	1,058,129	1,258,623	1,497,832	1,599,164	6.77
As % of total sales	15.37	14.79	13.88	13.73	13.49	14.29	14.19	
Total dealership expense ($)	702,215	753,054	772,004	893,206	1,055,228	1,267,235	1,355,739	6.98
As % of total sales	14.76	13.63	12.58	11.59	11.31	12.09	12.03	
Net profit before taxes ($)	29,021	64,090	79,778	164,923	203,395	230,597	243,424	5.56
As % of total sales	0.61	1.16	1.30	2.14	2.18	2.20	2.16	
Net pre-tax profit in constant '67 dollars	11,758	23,531	27,593	55,265	65,379	71,570	74,124	3.57
New vehicle dept. sales ($)	2,930,655	3,375,757	3,767,967	4,886,044	6,101,850	7,075,136	7,584,476	7.20
As % of total sales	61.60	61.10	61.40	63.40	65.40	67.50	67.30	
Used vehicle dept. sales ($)	999,087	1,265,218	1,399,180	1,734,006	1,987,300	2,054,410	2,242,661	9.16
As % of total sales	21.00	22.90	22.80	22.50	21.30	19.60	19.90	
Service and parts sales ($)	827,815	883,995	969,607	1,086,644	1,240,896	1,352,137	1,442,515	6.68
As % of total sales	17.40	16.00	15.80	14.10	13.30	12.90	12.80	
New vehicles average selling price ($)	7,530	8,850	9,910	10,725	11,100	11,925	12,850	7.76
Average net worth ($) (as of 12/31)	378,786	385,015	421,480	556,440	569,600	653,064	646,566	-0.99
Net profit as % of net worth	7.66	16.65	18.83	29.64	35.71	35.31	37.65	

Source: NADA Industry Analysis Division

The total dollar sales of all franchised new-car dealerships reached a record $283.2 billion in 1986, the NADA reports. That's up 8.8 percent from 1985.

Although the dollar sales increase was led by the recovery in new-vehicle sales, the average dealership also had significant gains in both used-vehicle and service and parts sales, according to the NADA.

The chart at right illustrates just how much the typical franchised new-car dealership is increasingly becoming a large business entity. In 24 states and the District of Columbia, the average franchised dealership had sales in excess of $10 million. In only four states were average sales in 1986 below $5 million.

The strong rise in new-car sales over the past four years naturally has resulted in a large increase in the number of new cars sold per dealer. In 1986, the average dealer sold 456 new cars — the highest level of sales ever. By comparison, the average dealer sold 346 new cars 10 years ago, according to NADA statistics.

1986 Total Sales by State

State	All dealers ($ Millions)	Average per dealer ($ Thousands)	State	All dealers ($ Millions)	Average per dealer ($ Thousands)
Alabama	4,448	11,768	Montana	789	4,153
Alaska	395	10,382	Nebraska	1,560	5,475
Arizona	4,266	19,842	Nevada	1,448	20,115
Arkansas	2,184	8,084	New Hampshire	1,547	8,141
California	31,848	17,114	New Jersey	11,135	14,556
Colorado	3,863	13,795	New Mexico	1,447	9,643
Connecticut	5,018	13,102	New York	16,118	11,272
Delaware	889	12,341	North Carolina	7,699	10,433
D.C.	140	14,024	North Dakota	842	4,812
Florida	17,341	20,024	Ohio	13,316	11,509
Georgia	8,526	13,302	Oklahoma	4,264	9,803
Hawaii	777	15,532	Oregon	2,970	9,251
Idaho	896	5,780	Pennsylvania	13,161	8,251
Illinois	13,580	10,803	Rhode Island	1,159	12,596
Indiana	6,507	9,336	South Carolina	3,341	9,943
Iowa	2,859	4,887	South Dakota	748	4,532
Kansas	2,714	6,540	Tennessee	5,798	12,523
Kentucky	3,364	9,092	Texas	18,915	12,244
Louisiana	3,697	9,290	Utah	1,541	9,818
Maine	1,449	7,102	Vermont	698	6,229
Maryland	6,279	16,700	Virginia	8,077	12,821
Massachusetts	8,116	13,527	Washington	4,231	10,933
Michigan	12,365	13,816	West Virginia	1,863	6,848
Minnesota	4,879	8,269	Wisconsin	5,342	6,893
Mississippi	2,178	6,848	Wyoming	487	5,409
Missouri	6,076	9,960	**Total U.S.**	**283,150**	**11,270**

Source: NADA Industry Analysis Division

AUCTION DATES

American Motors

Aug. 18 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Aug. 19 — Columbus Auto Auction, Columbus, Ohio; Kansas City Auto Auction, Kansas City, Mo.; and North East Auto Dealers, Newburg, N.Y.

Aug. 20 — Corry Auto Auction, Corry, Pa., and Wolfe's Evansville Auto Auction, Evansville, Ind.

Aug. 25 — D-A Auto Auction, New Stanton, Pa.

Aug. 26 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Aug. 27 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Wolfe's Evansville Auto Auction, Evansville, Ind.

Aug. 28 — St. Louis Auto Auction, St. Louis

Used Car Sales
Auction Averages

August to date	$6,052
Month ago	$5,910
Year ago	$5,205

Chrysler Corp.

Aug. 18 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

Aug. 19 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

Aug. 20 — Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Indianapolis Auto Auction, Indianapolis

Aug. 25 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Aug. 26 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Albama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

Aug. 27 — Fredericksburg Auto Auction, Fredericksburg, Va.

Ford Motor Co.

Aug. 19 — Concord Auto Auction, Acton, Mass.

Aug. 20 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Bay Cities Auto Auction, Hayward, Calif.; and 166 Auto Auction, Springfield, Mo.

Aug. 25 — South Seattle Auto Auction, Kent, Wash.

Aug. 26 — Columbus Fair Auto Auction, Obetz, Ohio; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City

Aug. 27 — Arena Auto Auction, Chicago; Skyline Auto Exchange, Fairfield, N.J.; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

Aug. 11 — Florida Auto Auction of Orlando, Ocoee, Fla.

Aug. 12 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Aug. 13 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Aug. 18 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Aug. 19 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Aug. 20 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Aug. 25 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 26 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Model Breakdown
Auction Averages

	AUG 1987	JUL 1987	JUN 1987
1987	$11,761	$11,512	$11,113
1986	$8,959	$9,032	$9,187
1985	$7,389	$7,394	$7,191
1984	$5,760	$5,756	$5,727
1983	$5,051	$5,081	$4,852
1982	$3,668	$3,684	$3,687
1981	$2,640	$2,642	$2,680
1980	$2,066	$2,068	$2,134
Overall Average	$6,052	$6,030	$5,900

Denver auction to open

AURORA, Colo. — The new Denver Auto Auction will open Wednesday. Plans for the new $10 million facility were announced by GE Credit Auto Auctions when it purchased Colorado's oldest auto auction in December 1985.

AUCTION DIRECTORY

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

Auctions Unlimited, 2260 East I-30, Rockwall, Texas 75087. Dallas-Ft. Worth area. Sales every Monday & Wednesday 7 PM. 214-722-9495.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chasc, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

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Car, truck sales dip in Canada

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

A downturn in demand for General Motors cars and trucks contributed to a sharp decline in domestic sales in Canada last month.

Sales of North American-built cars dropped 22.05 percent compared to July 1986. Domestic truck sales fell 8.86 percent.

Canadian dealers delivered 53,158 domestic new cars in July compared to 68,198 in July 1986. They also delivered 29,982 domestic trucks compared to 32,898 a year ago.

Five of the six domestic manufacturers reported lower car sales in July than a year ago. Honda, Canada's sixth automaker, began producing cars in its Alliston, Ontario, plant in November 1986 and began importing its Acura cars in March, so its sales last month were up.

GM was the biggest loser in car sales. Its dealers delivered 25,847 domestic cars, 33.60 percent below the 38,929 it sold in July 1986. A GM of Canada spokesman attributed the sharp drop to 16 selling days on which no rebates or financing incentives were offered by GM dealers in Canada. GM ended its low-financing and consumer cash program on June 30 and reinstated it on July 20.

The present program offers consumers $750 or financing ranging from 3.9 percent for 24 months to 9.9 percent for 60 months on selected models. GM is offering only the cash rebate in Ontario because of a provincial law that prohibits offering both.

Ford also showed a drop in car sales. Ford dealers in Canada sold 13,109 domestic cars in July, a 13.45 percent drop from the 15,146 sold a year ago. Ford continued to offer $750 cash rebates and low financing ranging from 3.9 percent to 9.9 percent on selected models — only the rebates are offered in Ontario. Tempo outsold all other Ford and Lincoln-Mercury nameplates in July with 3,071 deliveries.

Chrysler Motors' car sales continued to be affected by a shortage of Omni and Horizon Expo models (called America in the United States). Those cars are temporarily out of production.

Chrysler dealers in Canada sold 11,884 domestic cars in July, a 10.51-percent drop from the 13,280 sold a year ago. The company sweetened its rebate program in July and offered consumers $500 to $1,500. The rebates ranged from $500 to $1,000 in June.

Honda sold 1,685 Canadian-built cars — all Accords — in July. Honda was not building cars in Canada a year ago.

In addition, Honda sold 4,538 Japanese-built Honda models, a 33.84-percent drop from the 6,859 sold a year ago. Honda also sold 732 Japanese-built Acura models. Acura also has no year-ago comparison.

Accord was the best selling nameplate in Canada in July with a total of 3,136 domestic and imported cars.

American Motors sold 365 domestic Renault cars and 27 AMC Eagles in July compared to 567 domestic Renaults and 32 Eagles a year ago. AMC also offered cash incentives to dealers depending on the number of vehicles sold and in stock.

Volvo sold 241 Canadian-produced cars, down 1.23 percent from the 244 units sold in July 1986. A Volvo spokesman said the company's sales are suffering from low availability of certain models in Canada.

In truck sales, GM was also the biggest loser. GM sold 11,865 domestic trucks in July, down 29.58 percent down from the 16,850 it sold in July 1986. GM offered $750 cash and financing incentives on its Chevrolet S-series four-wheel-drive pickup trucks and compact 4wd sport-utility vehicles. GM buyers in Ontario are being offered only the cash incentive.

Canada's other domestic truckmakers showed sales gains in July. Ford sold 10,501 domestic trucks, up 10.18 percent from 9,531 last year. Ford's July truck sales were the highest for any July since 1979 when it sold 10,916. Ford offered truck buyers a choice between cut-rate loans or a $750 rebate on Ranger models equipped with manual transmission. Only the rebate is offered in Ontario.

Chrysler sold 5,988 domestically produced trucks, up 14.23 percent from the 5,242 trucks it sold in July 1986. The July truck sales total, including Mitsubishi trucks, was 6,384 and was an all-time sales record for that month. The previous record was set in July 1986 when 5,587 domestic and imported trucks were sold.

AMC Jeep sales totaled 1,628, up 27.69 percent over the 1,275 sold in July 1986. It was the highest July total in AMC history.

In addition to North American-built cars, GM in July sold 999 Suzuki-built Chevrolet Sprints, 898 Suzuki-built Pontiac Fireflys, 118 Isuzu-built Chevrolet Spectrums, 48 Isuzu-built Pontiac Sunbursts and four Isuzu I-Marks.

Ford sold 784 Mercury Tracers, 42 Merkur Scorpios and 33 Merkur XR4Ti models. The Tracer is built in Taiwan; the Scorpio and XR4Ti are built in West Germany.

Chrysler sold 1,087 Mitsubishi cars and 15 Peugeot cars. As mentioned above, Honda sold 4,538 Japanese-built Honda models and 732 Japanese-built Acura models.

Volvo sold 453 Swedish-built Volvo models in July, and AMC sold 233 imported Renaults.

In the imported-truck category, GM sold 11 Isuzu Trooper models, and Chrysler sold 396 Mitsubishi trucks.

CANADIAN SALES OF NORTH AMERICAN-BUILT VEHICLES

	July 1987	July 1986	Pct. Change	7 mos., 1987	7 mos., 1986	Pct. Change
AMC						
Cars	392	599	+34.56	2,906	5,526	−47.41
Jeeps	1,628	1,275	+27.69	12,141	8,388	+44.74
CHRYSLER						
Cars	11,884	13,280	−10.51	94,952	100,058	− 5.10
Trucks	5,988	5,242	+14.23	46,434	37,005	+25.48
GM						
Cars	25,847	38,929	−33.60	219,725	255,649	−14.05
Trucks	11,865	16,850	−29.58	95,310	95,731	− .04
FORD						
Cars	13,109	15,146	−13.45	118,768	119,416	− .05
Trucks	10,501	9,531	+10.18	84,781	75,956	−11.62
VOLVO						
Cars	241	244	− 1.23	1,433	1,646	−12.94
HONDA	1,685	—	—	5,844	—	—
TOTAL CAR	53,158	68,198	−22.05	443,628	482,295	− 8.02
TOTAL TRUCK	29,982	32,898	− 8.86	238,666	217,080	+ 9.04

CANADA MARKET SHARES
July 1987

Cars

General Motors	48.62%
Ford Motor Co.	24.66%
Chrysler Motors	22.36%
American Motors	.74%
Volvo	.45%
Honda	3.17%

Trucks

General Motors	39.57%
Ford Motor Co.	35.03%
Chrysler Motors	19.97%
Jeep	5.43%

AUTOMOTIVE NEWS/JOE WILSSENS

Boxcar classroom
A renovated railroad boxcar obtained by General Motors is transported by truck to the UAW-GM Health & Safety Center in Madison Heights, Mich. The boxcar will be used to show employees how to use forklifts to load railroad cars at GM plants.

IMPORT SALES BY MODEL

	July 1987	July 1986	7 Mos. 1987	7 Mos. 1986
ACURA	9,667	4,456	58,838	17,405
Integra	4,768	2,494	33,149	9,963
Legend	4,899	1,962	26,689	7,442
ALFA ROMEO	630	1,005	4,062	3,871
AUDI	4,562	4,606	28,449	36,909
4000S	2,891	1,140	6,279	8,125
4000CS Quattro	575	291	1,695	2,288
5000S	375	2,282	14,787	19,126
5000CS Turbo	133	425	2,887	3,655
5000CS Turbo Quattro	241	243	2,795	1,863
Coupe GT	347	225	1,003	1,852
BMW	7,871	8,648	50,858	54,650
318i	0	25	15	855
524 TD	1	236	27	1,536
325	4,941	4,899	33,545	33,840
528e	832	1,723	5,729	7,630
535i/535iS	654	983	4,273	5,254
6-Series	150	232	1,149	1,662
7-Series	1,016	550	5,280	3,873
M3	187	0	261	0
M5	29	0	174	0
M6	61	0	405	0
CHEVROLET	12,326	12,306	72,488	91,720
Spectrum	7,924	7,112	44,204	50,809
Sprint	4,402	5,194	28,284	40,911
CHRYSLER/MITSUBISHI	12,946	11,345	73,585	75,740
Colt	8,613	7,901	47,455	52,788
Conquest	1,036	487	7,696	3,297
Vista	3,297	2,957	18,434	19,655
FORD Festiva	2,412	0	5,357	0
HONDA	27,342	32,434	159,399	233,494
Civic/CRX	13,296	17,508	72,190	132,447
Accord	9,394	7,533	53,572	57,875
Prelude	4,652	7,393	33,637	43,172
HYUNDAI	30,472	19,690	157,528	72,086
ISUZU	5,154	2,082	21,305	18,285
I-Mark	4,675	1,339	17,080	10,496
Impulse	479	743	4,225	7,789
JAGUAR	2,040	2,143	12,064	13,649
XJ6	1,514	1,721	9,236	10,918
XJS	526	422	2,828	2,731
MASERATI	60	80	420	928
MAZDA	20,036	16,607	109,609	120,113
323	7,785	5,693	39,635	39,903
626	8,768	6,434	47,470	51,013
RX-7	3,483	4,480	22,504	29,197
MERCEDES BENZ*	7,109	6,789	52,520	50,998
190	1,458	1,293	10,904	11,878
260E	500	0	3,301	0
300	1,869	2,140	13,822	13,152
300SDL Turbo	586	407	4,206	2,177
420SEL	1,168	1,024	8,043	9,035
560SEL	428	649	3,606	5,316
560SL	875	842	6,889	6,623
560SEC	124	135	1,040	1,388
MERKUR	1,922	1,506	7,055	9,179
XR4Ti	817	1,506	4,825	9,179
Scorpio	1,105	0	2,230	0
MITSUBISHI	6,984	3,434	41,131	27,197
Starion	499	332	3,462	3,302
Cordia	320	355	2,488	2,971
Tredia	655	785	3,178	5,549
Mirage	1,388	1,013	9,857	7,160
Galant	748	949	6,688	8,215
Precis	2,668	0	11,111	0
Van/Wagon	706	0	4,347	0
NISSAN	38,583	50,580	249,867	288,892
Sentra	10,418	20,981	70,096	94,164
Pulsar	5,684	3,649	39,032	28,263
Stanza	5,529	7,921	38,185	35,719
Maxima	7,995	10,184	53,216	66,876
200SX	2,641	3,682	20,804	28,793
300ZX	2,358	4,045	22,810	32,374
Hawaii	3,958	118	5,724	2,703
PEUGEOT	853	1,178	5,293	7,770
PONTIAC LeMans	5,849	0	9,303	0
PORSCHE	2,052	2,979	14,876	17,705
924S	252	542	1,739	1,246
944	625	722	3,807	6,348
944S	125	0	1,473	0
944 Turbo	204	822	1,587	4,096
911 Coupe	370	362	2,626	2,530
911 Turbo	159	134	930	888
911 Cabriolet	159	198	1,492	1,153
928S	158	199	1,222	1,444
RENAULT	1,368	244	6,938	2,288
18i	0	189	0	1,189
Fuego	0	56	0	1,099
Medallion	1,368	0	6,938	0
SAAB*	4,754	4,999	26,841	28,979
900	1,015	1,471	5,665	8,846
900S	1,555	1,662	8,650	8,834
900 Turbo	974	811	5,238	4,864
9000S	438	0	2,065	0
9000 Turbo	662	946	4,669	5,933
STERLING	1,510	0	7,891	0
SUBARU	14,436	15,568	91,350	107,031
Hatchback	593	1,644	4,186	10,350
3-Door	1,260	1,187	7,792	6,019
4-Door Sedan	3,642	3,958	23,081	32,022
XT	1,649	2,034	11,501	14,737
Station Wagon	6,426	6,745	39,931	43,903
Justy	866	0	5,459	0
TOYOTA	53,345	75,226	296,153	353,074
Corolla	9,452	19,336	54,307	83,852
Tercel	10,509	8,569	51,373	43,129
Celica	7,735	12,115	43,944	63,860
Supra	2,733	4,538	16,908	17,709
Camry	17,854	18,155	93,143	83,166
Cressida	1,690	5,733	12,119	22,854
Land Cruiser	405	439	2,331	2,218
Van	1,144	2,381	8,289	11,338
4Runner SR 5	175	459	910	3,739
MR2	1,274	3,092	9,914	17,511
Hawaii	374	409	2,915	3,698
VOLKSWAGEN	14,278	12,547	77,133	90,123
Cabriolet	1,517	1,233	9,395	9,289
Jetta	6,413	8,114	35,408	59,995
Vanagon	844	1,154	5,824	7,502
Quantum	586	1,083	3,704	6,495
Scirocco	631	963	4,362	6,842
Fox	4,287	0	18,440	0
VOLVO*	8,907	11,470	70,871	74,893
240 Series	4,131	5,693	34,594	36,475
740 Series	3,575	4,706	27,422	30,264
760 Series	1,113	1,013	7,567	6,577
780	97	0	132	0
YUGO	4,038	3,020	31,072	14,860
IMPORT TOTAL	301,506	304,942	1,744,846	1,811,839

*Total includes tourist deliveries.

Compiled by Karen Dellowyd

DOMESTIC DAYS' SUPPLIES

	Aug. 1, 1987	July 1, 1987	Aug. 1, 1986
Alliance	147	151	150
Encore	0	0	156
Total Renault	147	151	152
Eagle	151	95	117
Total AMC	151	95	117
AMERICAN MTRS.	148	140	148
Horizon	28	35	25
Sundance	51	49	186
Turismo	111	161	87
Reliant	64	55	58
Caravelle	80	75	59
Plymouth	39	49	50
Total Plymouth	59	57	52
Laser	0	60	148
LeBaron K	63	77	68
LeBaron J	125	132	0
LeBaron GTS	107	144	101
Fifth Avenue	93	132	59
New Yorker	160	100	187
Total Chrysler	106	112	79
Omni	29	35	27
Shadow	48	47	216
Charger	101	134	88
Daytona	89	96	93
Aries	65	55	56
Lancer	95	160	117
Diplomat	70	51	46
Dodge 600	79	94	78
Total Dodge	68	68	66
CHRYSLER MTRS.	80	78	66
Escort	71	71	49
Mustang	40	41	44
Tempo	56	74	60
Taurus	68	73	50
Thunderbird	69	82	76
LTD	0	0	52
Crown Victoria	38	41	49
Total Ford Div.	61	66	54
Lynx	74	76	63
Topaz	69	94	49
Sable	93	112	43
Cougar	66	81	54
Capri	0	0	74
Marquis	0	0	51
Grand Marquis	45	49	45
Total Mercury	68	79	51
Continental	56	80	63
Lincoln	46	43	52
Mark VII	44	45	65
Total Lincoln	46	46	55
Total L-M Division	63	70	52
FORD MOTOR CO.	62	68	53
Skyhawk	99	112	117
Somerset Regal	95	116	65
Century	123	121	95
Regal	57	75	88
LeSabre	77	96	87
Electra	94	122	84
Riviera	71	76	178
Total Buick	91	107	90
Cimarron	100	120	127
Allante	185	136	0
Seville	71	74	251
Cadillac	100	111	85
Eldorado	62	86	160
Total Cadillac	95	106	103
Chevette	81	64	94
Nova	40	41	81
Cavalier	88	105	59
Citation	0	0	114
Camaro	69	61	73
Celebrity	91	63	71
Corsica/Beretta	62	57	0
Monte Carlo	120	119	97
Chevrolet	77	91	67
Corvette	117	94	76
Total Chevrolet	74	71	72
Firenza	125	139	76
Calais	62	86	52
Cutlass Ciera	93	101	75
Cutlass Supreme	56	75	63
Olds 88	67	83	111
Olds 98	80	95	74
Toronado	58	47	142
Total Oldsmobile	75	89	81
Fiero	89	106	104
1000	83	111	125
Sunbird	80	91	47
Firebird	53	52	66
Grand Am	43	55	47
6000	107	101	104
Bonn./Gr. Prix	138	156	85
Grand Prix	0	0	106
Parisienne/Bonn.	118	114	62
Total Pontiac	76	81	75
GENERAL MTRS.	78	84	79
VOLKSWAGEN	75	123	71
HONDA	13	11	6
NISSAN	51	49	21
TOYOTA	68	47	0
DOM. TOTAL	71	75	69
Subcompact	53	56	61
Compact	68	74	62
Intermediate	84	84	73
Standard	57	77	74
Luxury	81	87	80

Domestic, import stocks drop

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Aug. 1 stockpile of domestic cars in the United States was the lowest in seven months. Inventories of unsold imported vehicles were slimmer than last month, too, but were higher than on June 1.

Last August's domestic inventory was also a seven-month low. This summer, lower domestic inventories can be attributed to extended plant closings for model changeovers and to a number of attractive incentives offered in July.

The decline in the import-car stockpile may have been helped by German, French and Japanese automakers' incentive programs. The 54-day supply of imported cars was two weeks more than last year's 40-day Aug. 1 stockpile, but it was lower than last month's 60-day supply.

August opened with an inventory of 1,657,974 U.S.-built cars, a 71-day supply. That was 12.74 percent below the previous month's stockpile of 1,900,096 cars, a 75 day-supply.

On Aug. 1 last year, the domestic inventory was 1,725,524, a 69-day supply. Two years ago — on Aug. 1, 1985 — there were 1,579,595 units on hand, a 65-day supply, which is considered in the optimal range.

A number of dealers confirmed that inventory numbers were down in July. Lou Turiano, general sales manager, Bill Luke Chrysler-Plymouth in Phoenix, Ariz., said: "We're where we have been and want to be with a 65- to 70-day supply." He added, "My '88s are coming in shortly. Voyager and LeBaron convertible are our two sweethearts."

There was a drop in the number of imported cars and trucks on Aug. 1 at ports of entry, in transit within the United States and at dealerships. The combined stockpile totaled 846,350 cars and trucks, a 57-day supply, compared with last month's total of 891,546, a 63-day supply. A year ago, there were 643,893 imported vehicles in inventory, a 43-day supply.

Stocks of unsold imported cars dipped to 628,337, a 54-day supply, compared with last month's total of 650,508, a 60-day stockpile. A year ago, 443,244 cars were in stock, a 40-day supply.

A Nissan and Saab dealer in New York said he was happy with a three- or four-week supply in July.

The Aug. 1 inventory of imported trucks also slipped — to 218,013, a 66-day supply, compared with 241,038, a 71-day total on July 1. A year earlier, truck inventories totaled 200,649, a 49-day supply.

The majority of domestic manufacturers started August with lower days' supplies than in July.

They shared the Aug. 1 domestic inventory this way: General Motors, 56.10 percent; Ford Motor Co., 25.55 percent; Chrysler Motors, 13.75 percent; Nissan, 1.29 percent; Volkswagen, 1.16 percent; American Motors, 0.85 percent; Honda, 0.78 percent; and Toyota, 0.52 percent.

On July 1, the split was GM, 55.65 percent; Ford, 26.18 percent; Chrysler, 13.97 percent; Nissan, 1.35 percent; Volkswagen, 1.21 percent; AMC, 0.86 percent; Honda, 0.53 percent; and Toyota, 0.25 percent.

GM's Aug. 1 stock dropped 12.04 percent from its July 1 total. A dealer who confirmed the lower numbers at his store was Larry Wagers, sales manager, Bud Young Chevrolet-Oldsmobile, Shelby, Ohio.

"Cavaliers and Cutlass Supremes are down to one (day's worth). But since July, our inventories have changed dramatically because of the 1.9-percent (financing incentive) in the last week," he said.

Ford's inventory was 14.84 percent lower than in July. A sales manager for a Ford dealership in St. Charles, Ill., said stocks at his store confirmed the downward trend. He said Ranger and Escort stocks were lower but admitted that Taurus and Thunderbird inventories were up. He added that "incentives will help move and sell them."

The domestic shares by size class Aug. 1 were: subcompact, 16.61 percent; compact, 17.65 percent; intermediate, 43.38 percent; standard, 12.42 percent; and luxury, 9.94 percent.

Stocks of some intermediate-size domestic cars increased during July, while others declined. For example, Chrysler New Yorker sales were down significantly, leaving a 160-day supply, up from a 100-day inventory last month. That was offset by Dodge Lancer sales, which nearly doubled during the month, lowering the supply from 160 to 95 days. Chrysler's offer of rebates or 3.7-percent financing on Lancer boosted sales in July. There were no incentives on New Yorker.

Improved July sales for Volkswagen reduced the company's domestic days' supply. It fell 39 percent, leaving a 75-day supply vs. a 123-day supply a month earlier. Low-interest financing was offered in July.

John Wallace, sales manager, College Park Volkswagen, College Park, Md., said: "Inventories are down. Sales are good."

Imported car and truck inventories declined by 45,196 units during July, which was 5 percent lower than stocks a month ago. The leanest stockpiles were Honda's imported cars, which stood at a 10-day supply. Inventories of imported Renaults climbed to a 266-day supply because sales were down in July.

Imported truck stockpiles declined from a 71-day supply in July to 66 days at the beginning of August. However, that was up from a 49-day supply on Aug. 1 last year.

Nissan's truck sales were off in July, increasing its days' supply to 107 days compared with 69 on July 1, even though its actual unit count was lower.

The Aug. 1 inventory of imported cars by country of origin was split up this way: Japan, 65.64 percent; Germany, 14.58 percent; and other countries: 19.78 percent.

The July 1 inventory share by country was: Japan, 66.23 percent; Germany, 16.21 percent; and other ccuntries, 17.56 percent.

IMPORT DAYS' SUPPLIES

	Aug. 1, 1987	July 1, 1987	Aug. 1, 1986
Chevrolet	142	152	120
Chrysler Corp.	88	91	99
Acura	33	33	32
Honda	10	16	11
Isuzu	66	93	145
Mazda	41	54	34
Mitsubishi	43	49	87
Nissan	84	85	47
Subaru	83	87	46
Toyota	25	26	13
JAPAN	53	60	37
Audi	56	43	104
BMW	67	73	27
Mercedes-Benz	50	46	31
Merkur	62	71	73
Porsche**	114	170	40
VW	62	80	62
GERMANY	63	70	52
Alfa Romeo	62	60	33
Festiva	124	124	0
Hyundai	26	29	0
Jaguar	20	11	20
Peugeot	90	93	86
Pontiac	59	82	0
Renault	266	246	198
Saab	61	75	42
Sterling	66	76	0
Volvo	70	59	53
Yugo	62	41	52
Other Countries	51	52	50
Total Import Cars	54	60	40
Isuzu	118	130	103
Mazda	73	74	48
Mitsubishi	43	94	97
Nissan*	107	69	84
Range Rover	22	18	0
Suzuki	24	18	16
Toyota	43	60	23
Chrysler	78	98	116
Total Imp. Trucks	66	71	49
Total Imp. Vehicles	57	63	43

*Includes domestic trucks.
**Estimate.

Domestic sales for early August beat year ago

Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Domestic car sales for Aug. 1-10 rose 12.07 percent over the same period a year ago, with Ford Motor Co. and General Motors leading the gains. Honda and Nissan also reported big gains.

Sales for the period totaled 170,382 cars compared with 152,035 last year. The daily selling rate increased to 21,298 units, up from 19,004 a year ago. There were eight selling days in the period both years.

GM's announcement of new incentives gave it a sales edge. Sales for the first 10 days were 91,582, up 16.88 percent from 78,355 in the year-ago period. Industrywide cleanup incentives last year weren't launched until late August.

Ford's 10-day sales of 49,402 units were 19.23 percent stronger than 41,435 sold in the comparable 1986 period.

Chrysler Motors sales, which included Eagle division estimates, were off 34.14 percent compared to a year ago, again including American Motors estimates.

Chrysler was not offering 1.9 percent financing during the period. Sales were also hurt by Dodge Omni and Plymouth Horizon being out of production. They are normally high-volume sellers.

Honda's sales of Ohio-built cars rose 89.36 percent to 8,421 compared to last year's 4,447 units. Nissan sold sold 2,195 cars versus six a year ago, when the Smyrna, Tenn., plant was idle.

Toyota, which was not producing cars in the United States last year, sold 568 units in the Aug. 1-10 period this year.

Volkswagen sales slipped to 646 from last year's 1,118, a 42.22 percent drop. Volkswagen stopped its incentives at the end of July.

DOMESTIC SALES

	Aug. 1-10, 1987	Aug. 1-10, 1986
Eagle	565†	1,400†
Chrysler	7,075	7,537
Plymouth	4,138	7,799
Dodge	5,790	9,938
Chrysler Motors	17,568	26,674
Ford	33,398	28,361
Mercury	12,780	9,813
Lincoln	3,224	3,261
Ford Motor Co.	49,402	41,435
Buick	16,042	12,507
Cadillac	6,055	5,285
Chevrolet	36,395	29,876
Oldsmobile	17,466	16,070
Pontiac	15,624	14,617
General Motors	91,582	78,355
Volkswagen	646	1,118
Honda	8,421	4,447
Nissan	2,195	6
Toyota	568	0
U.S. Industry Total	170,382	152,035

†—Estimate

Subaru distributors drop suit; pressure to buy cars alleged

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The difference between having too many cars and not enough is often only one car, according to an old industry saying.

But in the case of four independent Subaru distributors, the too many cars may number in the thousands.

Saddled with a climbing inventory that numbers into the hundreds of days, the four Subaru distributors — New England, South, Mid-America and Inter-Mountain — sued Subaru of America in federal district court in Denver. They accused the company of forcing too many cars on them.

That practice, according to the lawsuit, would force them into insolvency. As a result, it would allow Subaru of America to buy out the distributors at a low price.

Three other independent distributors were not party to the suit. Subaru of America owns another six distributors.

The suit was withdrawn after a Denver judge refused to grant a preliminary injunction barring the shipment of 1,700 vehicles to Inter-Mountain. The distributor said it had not ordered the cars, since it had a 200-day supply of vehicles in stock. A Subaru spokesman said the vehicles were being shipped because they had been ordered by the distributor. He added that Subaru of America has no "master plan," as alleged in the suit, to over-supply vehicles to force the distributors into selling.

The spokesman said that while inventories are high, the company is trying to deal with the problem through the current rebate and interest subvention program.

"We've extended the program and have gone as far as to let the distributors and dealers choose which models, except for Justy and BRAT, get either the cash back or interest rates. That's not a way to put a stranglehold on the distributors," he said.

Allen Kezsbom, an attorney with the New York law firm of Fried, Frank, Harris, Shriver & Jacobsen, which is representing the four distributors, said, "The suit is having an effect. Subaru is attempting to take steps to deal with some of the excess car problems."

Kezsbom said the distributors were told that Subaru of America executives were meeting with executives of Subaru's manufacturer, Fuji Heavy Industries in Japan, to iron out vehicle allocation problems.

UAW rejects GM proposal tied to productivity, quality

By Michelle Krebs and Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — UAW officials Friday rejected a proposal from General Motors tying job protection and income to productivity and quality at GM plants.

"We are formally saying we cannot accept the proposal or concepts that would replace cost of living or wage increases with lump sum payments — particularly iffy lump sum payments," Donald Ephlin, UAW vice president in charge of the GM department, said.

Ephlin said the problems at GM are not wages but mismanagement. He cited instances where GM is paying more for "friendly" suppliers to do some work than it is paying to its own employees who may not have enough work.

He said the union is willing to cooperate with programs already in place to solve problems related to productivity and quality.

Even though the union has rejected the proposal, Alfred S. Warren, GM vice president of industrial relations, said the company would not remove it from the bargaining table. He said the proposal fostered valuable discussion.

Warren said one of the biggest problems facing the company is making its component divisons competitive.

Ephlin said the company's mid-level managers are violating contracts at some of the automaker's 150 U.S. plants.

"My problem is getting the corporation to do what it promised to three years ago," he said. "There are mid-level managers who are not singing out of the same hymn book as the people on the 14th floor."

GM had called the proposal conceptual and a starting point for discussions addressing the union's demand for job security and GM's need for increased competitiveness.

"Our problems lie in a number of different areas, and one of them is to devise a method of job security without adding cost," Warren said.

Under the proposal, base wages would have stayed at current levels. Lump-sum payments, which would combine the cost-of-living allowance and performance bonuses, would be made to all workers in the first year of the contract. Those payments have been made separately throughout the year.

The COLA formula, in effect, would have been eliminated and the current level of COLA payment retained as part of the incentive payment. COLA now amounts to 86 cents an hour, or $1,788 annually per worker.

Lump-sum payments in the second and third years of the contract would have included the COLA payment as well as performance payments based upon individual plants or divisions meeting or exceeding quality and productivity targets. Performance bonuses would not be paid if a plant or division did not make progress in meeting those targets.

In addition, the proposal would have established a separate pay structure for component and defense-related plants. In the first year of the contract, lump-sum payments to workers at component plants would be smaller than those paid to assembly workers.

In return, GM said it might place a moratorium on outsourcing likely for the first year of the contract while productivity and quality goals were being set. GM also would not outsource work at plants where productivity and quality targets are met.

While GM said the proposal was designed to meet the union's need for job security, the proposal did not guarantee that a certain number of jobs would be retained.

Ephlin had warned that if there was any one issue that UAW members would be willing to strike over, it would be COLA.

"The last time someone tinkered with the COLA formula, it cost us at GM 67 days of wages and 67 days of production to correct that error," said Ephlin, referring to the 1970 strike against GM. "We have no desire to repeat that terrible mistake."

In addition, Ephlin said the union is looking for a return to the annual improvement factor, negotiated in the last contract with Chrysler Corp. Ephlin said the UAW is not opposed to bonuses based upon productivity and quality performance.

The contract negotiated in September 1984 added $250 to the price of every GM car, said Warren. The industry can no longer pass along the cost increase to the consumer, he added.

GM's initial contract proposal came two weeks earlier than it normally does. Warren reiterated the complexity of the problems necessitated an early start.

Observers said GM's initial contract proposal came early to test reaction to its radical proposal and so that GM could point out its differences from Ford.

Ford also finished its third week of negotiations, but no company proposal was presented to the union. The UAW's contracts with both Ford and GM expire Sept. 14.

Striking VW workers in Mexico block highways

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Thousands of striking Volkswagen de Mexico workers blocked all roads into and out of the city of Puebla for 3½ hours last Tuesday.

The following day, they blocked access to the city's six VW dealerships and closed all entrances to four facilities being used as emergency offices by the company.

The previous week, they drove 13 buses across the main Mexico City-Puebla highway and left them there for several hours.

Arturo Garduno Escobar, spokesman for the Independent VW Union, said last Wednesday that if the company did not discuss the union's demands by today the union would consider occupying state government offices in Puebla and blocking VW's several hundred dealerships throughout Mexico.

"We know these acts are illegal," he said. "But we also know that the company is breaking the law by refusing to talk."

The strike, declared legal by the federal government, began July 1. The 10,500 workers are demanding a 100 percent wage increase and are fighting the company's plan to reduce the workforce by about 800.

Garduno Escobar said VW's management, which has been unavailable for comment, also wants to cut vacations and year-end bonuses by 50 percent. He said the company has offered a 5 percent raise.

"We are not going to lose this strike," Garduno Escobar said. "We're prepared to accept the consequences of our actions."

Herminio Nunez Navarro, who heads the National Union of Ford Motor Co. Workers, said his members would not take similar action. About 3,200 Ford workers have been on strike since July 20, demanding an emergency wage increase of 23 percent.

"Motorists are not to blame," he said. "We will follow normal strike procedures."

The Ford strikers work at the Cuautitlan plant and in Mexico City at a parts warehouse and the company's headquarters.

Nunez Navarro said Ford has offered a 6 percent raise plus the equivalent of about $50 in food vouchers. "For some workers, that represents a 23 percent increase," he said. "But for the highest-paid workers, it's worth no more than 11 percent.

"Ford made a profit of $3 million in the first six months of the year, its first profit in Mexico for five years. It can afford to pay what we are asking," he said.

Ford of Mexico makes the Thunderbird, Cougar, Topaz and pickup trucks in Cuautitlan and is preparing to produce the Taurus there later this year, he said.

A Ford spokesman said, "We are doing our best to find a solution to the strike."

The 950 workers at Ford's engine plant in Chihuahua and the 843 who work at the Tracer plant in Hermosillo accepted a 23 percent emergency increase July 1.

CENSUS

FROM PAGE 1

change in the number of intercorporate duals brought the industry's net loss to 74.

All figures in this article and in the accompanying tables indicate the net change in the dealer population, both for the individual corporations and car lines and for the domestic industry as a whole.

The midyear census marks the last time that American Motors will be be listed as a separate automaker. Chrysler Corp.'s purchase of AMC took effect Aug. 5. Henceforth, the former AMC outlets will be part of Chrysler's Jeep-Eagle network.

The first half of 1987 saw a major reduction in the number of dealerships that handle only domestic cars. Ford Division and Pontiac jumped into the captive-import arena with Ford Festiva and Pontiac LeMans from South Korea. Not all Ford Division outlets are stocking Festiva at this moment, but they are expected to have the car by October.

The Mexican Tracer gives all Lincoln-Mercury dealers a captive — some of them don't carry the Merkur line — and AMC resumed importation of Renault models (Medallion). That leaves only Buick, Oldsmobile and Cadillac without a captive.

Many of those GM dealers handle a non-captive import, and those that are dualed with Chevrolet or Pontiac have entered the captive import field. Cadillac dealers are at least halfway into the import lair. Their Allante is assembled in the United States, but the body is made by Pininfarina in Italy.

Automotive News estimates that not more than 1,200 of the 20,331 "domestic" dealerships handle only U.S.-built cars.

This year, the second-quarter decline in the dealer total amounted to 28 outlets. It was an improvement over the first quarter, which saw 46 establishments fade from the scene. In 1986, there was a loss of 25 in the first quarter and 77 in the second for a total of 102.

Franchise totals increased for the domestic makes during the first half. There were gains of 3 for Mercury, 13 for Lincoln and 30 to 37 for Chrysler, Plymouth and Dodge. The other side of the ledger showed drops of 5 to 16 franchises for Buick, Oldsmobile, AMC, Renault and Ford and a decline of 40 for Chevrolet. Cadillac, Pontiac and Volkswagen were unchanged for the first half.

The gains outnumbered the losses; there were 17 more franchises on July 1 than on Jan. 1.

Chrysler Motors continued a dealership upturn that began late in 1982; it has recorded only one decline in its total in the last 19 quarters. This year, Chrysler posted an advance of 18 in both the first and second quarters. Its dealer total now is the highest since the spring of 1980.

In addition to its 4,051 car dealers, Chrysler has three that handle only Dodge trucks. They are not included in the Chrysler Motors dealership total or the Dodge car-franchise total.

Ford Motor Co. was steady in the first half with dips of nine outlets in the first quarter and four in the second. Last year, the declines were 16 and 19 for the first two quarters.

Ford Motor has 111 dealerships that handle only Ford heavy-duty trucks. They are not included in the company's dealership total or in the Ford Division franchise total.

GM had a drop of 50 dealerships in the first quarter and 30 in the second. The total of 80 was more than three times as severe as in 1986 when the first two quarters brought declines of five and 20.

GM's overall dealer count on July 1 was 10,145, including GMC truck outlets that do not handle any of the corporation's car lines.

Dealer losses for AMC-Renault totaled 12 in the first quarter and seven in the second. The first-half decline of 19 compared with a dip of 50 last year.

About 1,210 of the 1,330 dealerships handle both AMC and Renault. AMC has 726 duals with Big 3 cars, and Renault is included in 665 of them.

Including Jeep, the AMC-Renault dealer total was 1,451 on July 1. That is the network that is now Chrysler Motors' Jeep-Eagle organization. About 170 of those stores are dualed with Chrysler Motors makes.

Volkswagen showed no change in its dealership count for the first half. It added two outlets in the first quarter and lost two in the second. About 100 VW dealerships handle Big 3 cars.

The latest domestic dealer count of 20,331 is down 240 from 20,571 on July 1, 1986. Chrysler gained 51 during the 12-month period, and there were slips of 205 for GM, 41 for AMC-Renault and 35 for Ford Motor. VW had the same number of dealers on both dates. A change in the number of intercorporate duals brought the decline for the industry to 240.

U.S. CAR OUTLETS

	Jul. 1, 1987	Jan. 1, 1987
American Motors-Renault	1,330	1,349
Chrysler Corp.	4,051	4,023
Ford Motor Co.	5,447	5,460
General Motors	9,600	9,680
Volkswagen U.S.	878	878
TOTALS	21,306	21,390
Minus Intercorporate Duals	975	985
NET OUTLETS	20,331	20,405

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U.S. FRANCHISES

	Jul. 1, 1987	Jan. 1, 1987
AMC-RENAULT		
AMC	1,295	1,309
Renault	1,245	1,258
CHRYSLER CORP.		
Chrysler	3,094	3,064
Dodge	2,997	2,960
Plymouth	3,065	3,033
FORD MOTOR CO.		
Ford	4,600	4,616
Lincoln	1,630	1,617
Mercury	2,754	2,751
GENERAL MOTORS		
Buick	2,945	2,950
Cadillac	1,615	1,615
Chevrolet	4,935	4,975
Oldsmobile	3,165	3,175
Pontiac	2,975	2,975
VOLKSWAGEN U.S.	878	878

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DeLorean settlement will stand

DETROIT — A federal judge has denied the British government's challenge to a bankruptcy settlement between John Z. DeLorean and the trustee for creditors to his defunct sports-car company.

Attorney Malcolm Schade, who represented the British government, had argued that there were no guarantees that DeLorean would be able to pay the creditors $9.3 million, as stipulated in the settlement. Great Britain helped finance the DeLorean Motor Co. project in Northern Ireland and was the largest creditor in the case.

But in a ruling here Friday, Judge Ray Reynolds Graves approved the settlement, which is expected to resolve DeLorean's U.S. bankruptcy troubles. Graves rejected Schade's claims, including the argument that DeLorean could have hidden assets.

"The objecting creditors have failed to demonstrate that this settlement is unfair, unreasonable, or that the estate would be enhanced if this litigation were carried forward to conclusion," Graves wrote. He said the agreement was a fair one and promises a return to the estate.

Schade also represented Renault, which was a supplier to the DeLorean venture.

Car output moves up

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production increased over the prior week's build, as several plants returned to work after being idle for model changeover.

Output of 79,425 cars was 13.37 percent more than the previous week's 70,060, but it fell 10.38 percent from the year-ago week's 88,621.

So far this year, 4,473,718 cars have been built, 10.87 percent below the 5,019,066 completed last year at this point.

Companies split last week's production as follows: General Motors, 35.60 percent; Ford Motor Co., 32.18 percent; Chrysler Motors, 15.74 percent; Honda of America Manufacturing Inc., 8.49 percent; New United Motor Manufacturing Inc., 4.72 percent; and Nissan Motor Manufacturing Co. U.S.A., 3.27 percent.

As reported earlier, Volkswagen of America's Westmoreland, Pa., plant remains closed until Sept. 14.

Ford's Kansas City, Mo., plant is idle this week because of a parts shortage.

Chrysler's Kenosha, Wis., plant is idle for vacation until Aug. 24.

The following GM plants resumed production last week: Buick City in Flint, Mich.; Janesville, Wis.; Lansing (No. 2), Mich.; Pontiac, Mich.; and Willow Run, Mich.

These GM plants were scheduled to resume output this week: Bowling Green, Ky.; Tarrytown, N.Y.; Orion Township, Mich.; and Van Nuys, Calif.

The following GM plants remain idle for model changeover: Lordstown, Ohio; Pontiac Fiero plant in Pontiac, Mich.; Detroit-Hamtramck (excluding the Allante line); Arlington, Texas; Framingham, Mass.; and Doraville, Ga.

Daily overtime is slated this week for Ford's Wixom, Mich., plant.

Week's truck production slips

U.S. truckmakers scheduled production of 68,070 units last week, 2.66 percent below the prior week's 69,931 but 15.16 percent above the year-ago week's 59,109.

Year-to-date, 2,364,968 trucks have been assembled, 4.78 percent more than the 2,256,993 built last year at this point.

As reported earlier, General Motors permanently shut down its St. Louis truck plant on Aug. 7. Production of the Crew Cab and extended-chassis models are being transferred to Janesville, Wis.

Ford Motor Co. slated daily overtime this week at its Louisville, Ky. plant.

Canada posts car, truck gains

Last week's scheduled Canadian auto production of 4,012 was almost triple the previous week's 1,387, but fell 60.21 percent from the year-ago week's 10,084.

Both last week's and the previous week's totals were affected by the number of plants down for vacation and model changeover.

So far this year, 474,297 cars have been assembled, 28.59 percent below the 664,181 completed last year at this time.

Truck production was targeted at 12,011 units last week, 7.44 percent more than the prior week's 11,179 but 5.64 percent below the year-ago week's 12,729.

Volvo's Halifax, Nova Scotia, car plant was idle last week for vacation.

General Motor's Oshawa (No. 1), Ontario, and Ste. Therese, Quebec, car plants are slated to resume output today. Both plants were idle for vacation.

CANADIAN CAR	Week Ended Aug. 15, 1987	Week Ended Aug. 16, 1986	Week Ended Aug. 8, 1987	Aug. to Date	Jan. 1 to Aug. 16, 1986	Jan. 1 to Aug. 15, 1987
AMERICAN MOTORS	110	28	107	217	2,382	3,410
FORD MOTOR	2,928	10,056	877	3,805	325,163	293,361
GENERAL MOTORS	574	0	51	625	330,185	163,845
HONDA	400	0	352	752	0	7,264
VOLVO	0	0	0	0	6,451	6,417
Total Cars, Canada	4,012	10,084	1,387	5,399	664,181	474,297

U.S. TRUCK☆	Week Ended Aug. 15, 1987	Week Ended Aug. 16, 1986	Week Ended Aug. 8, 1987	Aug. to Date	Jan. 1 to Aug. 16, 1986	Jan. 1 to Aug. 15, 1987
CHEVROLET	17,324	13,951	18,626	35,950	756,569	725,685
DODGE	7,000	3,358	6,493	13,493	59,241	159,313
FORD	25,421	26,981	27,320	52,741	898,221	920,211
GMC	7,070	5,758	6,736	13,806	233,939	243,521
NAVISTAR	1,675	1,571	1,643	3,318	44,860	44,998
JEEP	4,700	3,230	4,300	9,000	112,302	136,937
NISSAN	2,130	1,910	2,063	4,193	77,109	52,093
AM GENERAL*	450	50	450	900	1,612	8,910
MISCELLANEOUS*	2,300	2,300	2,300	4,600	73,140	73,300
Total Trucks, U.S.	68,070	59,109	69,931	138,001	2,256,993	2,364,968

CANADIAN TRUCK	Week Ended Aug. 15, 1987	Week Ended Aug. 16, 1986	Week Ended Aug. 8, 1987	Aug. to Date	Jan. 1 to Aug. 16, 1986	Jan. 1 to Aug. 15, 1987
AMERICAN MOTORS	750	689	776	1,526	17,065	20,392
CHRYSLER	5,837	8,301	5,816	11,653	249,145	252,341
FORD	3,347	3,546	2,732	6,079	161,590	92,829
GENERAL MOTORS	1,852	0	1,675	3,527	172,031	133,768
NAVISTAR	225	193	180	405	5,992	5,723
Total Trks., Canada	12,011	12,729	11,179	23,190	545,813	505,053
U.S., Canada Trks.	80,081	71,838	81,110	161,191	2,802,806	2,870,021

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-declined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Aug. 15, 1987	Week Ended Aug. 16, 1986	Week Ended Aug. 8, 1987	Aug. to Date	Jan. 1 to Aug. 16, 1986	Jan. 1 to Aug. 15, 1987
AMERICAN MOTORS	0	1,185	0	0	34,343	15,994
Renault Total	0	1,185	0	0	34,343	15,994
Alliance	0	1,185	0	0	30,996	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	12,500	19,035	14,174	26,674	848,129	659,163
Plymouth Total	4,700	6,827	4,970	9,670	255,416	196,961
Horizon	0	3,744	0	0	108,027	32,997
Sundance	1,100	0	985	2,085	7,373	58,663
Reliant	2,900	2,106	2,917	5,817	99,665	70,201
Caravelle	700	679	573	1,273	28,771	31,292
Gran Fury	0	298	495	495	11,580	3,808
Chrysler Total	2,900	4,471	4,483	7,383	266,348	222,769
Laser	0	0	0	0	27,239	0
LeBaron K	900	603	1,017	1,917	64,272	45,785
LeBaron J	0	0	0	0	0	70,194
LeBaron GTS	600	0	480	1,080	43,788	25,009
N. Yorker/E-Class	1,400	1,009	1,550	2,950	48,976	49,743
Fifth Avenue	0	2,859	1,436	1,436	82,073	32,038
Dodge Total	4,900	7,737	4,721	9,621	326,365	239,433
Daytona	0	0	0	0	30,807	33,909
Omni	0	3,627	0	0	104,168	28,363
Shadow	1,400	0	1,064	2,464	6,550	60,397
Aries	2,600	1,963	2,528	5,128	77,695	66,300
Dodge 600	600	638	510	1,110	47,572	28,032
Lancer	300	0	277	577	34,788	15,678
Diplomat	0	1,509	342	342	24,785	6,754
FORD MOTOR	25,560	28,153	23,109	48,669	1,120,915	1,166,069
Ford Division	18,178	18,213	17,060	35,238	766,402	828,472
Escort	5,498	7,868	7,075	12,573	243,424	233,183
Mustang	3,214	0	2,470	5,684	120,674	132,314
Tempo	0	3,334	0	0	334	99,830
Taurus	6,434	3,937	7,515	13,949	342	261,946
Thunderbird	3,032	3,074	0	3,032	100,128	101,199
L-M Division	7,382	9,940	6,049	13,431	354,516	337,597
Mercury Total	3,861	6,880	2,371	6,232	245,203	227,399
Lynx	0	1,404	2	2	41,269	21,352
Capri	0	0	0	0	11,011	0
Topaz	0	868	0	0	37,346	32,858
Cougar	2,034	3,060	0	2,034	80,704	89,689
Sable	1,827	1,548	2,369	4,196	74,873	83,500
Lincoln Total	3,521	3,060	3,678	7,199	109,313	110,198
Continental	0	305	0	0	12,242	9,610
Lincoln	2,934	2,295	3,065	5,999	81,990	83,921
Mark VII	587	460	613	1,200	15,081	16,667
GENERAL MOTORS	28,275	30,819	19,373	47,648	2,688,793	2,172,414
Buick Total	7,791	10,247	2,767	10,558	495,516	344,946
Skyhawk	1,060	1,371	0	1,060	55,174	17,511
Century	2,000	2,169	1,694	3,694	154,313	106,919
Regal (rwd)	35	1,378	0	35	39,418	29,235
Somerset/Skylark	338	147	0	338	70,640	37,410
LeSabre (fwd)	2,380	3,723	0	2,380	91,746	83,073
LeSabre (rwd)	109	540	130	239	9,770	5,940
Electra (fwd)	1,869	0	943	2,812	56,102	56,357
Riviera	0	919	0	0	18,353	8,501
Cadillac Total	1,950	6,257	1,367	3,317	209,739	166,231
Cimarron	0	0	0	0	16,408	7,489
Allante	150	0	146	296	0	3,108
Brougham (rwd)	1,800	2,204	1,221	3,021	53,624	41,807
DeVille (fwd)	0	2,567	0	0	105,314	90,573
Eldorado	0	759	0	0	16,528	10,534
Seville	0	727	0	0	17,865	12,720
Chevrolet Total	13,272	2,130	12,738	25,010	814,697	847,671
Chevette	0	0	0	0	61,031	0
Camaro	2,312	0	2,308	4,620	115,669	74,836
Cavalier	0	0	0	0	257,236	204,851
Celebrity	0	0	0	0	162,723	192,484
Corsica/Beretta	8,250	0	7,827	16,077	0	194,916
Monte Carlo	0	2,130	0	0	74,025	42,027
Chevrolet	2,710	0	2,603	5,313	127,707	120,474
Corvette	0	0	0	0	16,306	18,083
Oldsmobile Total	4,109	8,964	1,365	5,474	868,109	397,240
Firenza	449	759	0	449	24,442	2,468
Calais	426	227	0	426	75,056	69,973
Cutlass Ciera	0	2,225	0	0	170,408	99,968
Cutlass Supreme	1,183	1,327	0	1,183	86,525	46,721
88 (fwd)	1,487	1,591	1,001	2,488	214,034	109,936
88 (rwd)	0	330	0	0	12,373	10,656
Olds 98	564	1,892	364	928	71,695	38,797
Toronado	0	613	0	0	13,576	10,127
Pontiac Total	1,153	3,221	1,136	2,289	500,732	416,326
Acadian*	0	0	0	0	9,864	0
Fiero	0	0	0	0	44,332	20,689
1000	0	135	0	0	11,792	0
Firebird	968	1,020	962	1,930	71,975	50,825
2000 Sunbird	0	1,293	0	0	85,769	60,295
Grand Am	0	340	0	0	139,480	149,576
6000	0	0	0	0	95,588	48,689
Bonneville	0	0	0	0	0	79,946
Safari/Parisienne	185	433	174	359	41,932	6,306
HONDA	6,740	5,379	6,836	13,576	126,630	209,606
Civic	1,646	0	2,217	3,863	0	68,993
Accord	5,094	5,379	4,619	9,713	126,630	140,613
NISSAN	2,600	319	2,551	5,151	21,901	82,548
NUMMI	3,750	3,731	4,017	7,767	128,070	124,795
Corolla	750	0	884	1,634	0	26,142
Nova	3,000	3,731	3,133	6,133	128,070	98,653
VOLKSWAGEN	0	0	0	0	50,282	43,129
Golf/GTI	0	0	0	0	50,282	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	79,425	88,821	70,060	149,485	5,019,066	4,473,718
Total Cars, Canada	4,012	10,084	1,387	5,399	664,181	474,297
U.S., Canada Cars	83,437	98,705	71,447	154,884	5,683,247	4,948,015
U.S., Canada Trks.	80,081	71,838	81,110	161,191	2,802,806	2,870,021
U.S., Canada Cars and Trucks	163,518	170,543	152,557	316,075	8,486,053	7,818,036

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

WIXOM

FROM PAGE 3

of opportunities not being able to build more luxury cars."

Ford's new phosphate E-coat sealant system will be built in a 260,000-square-foot building to be connected by a tunnel to the existing plant. The present paint shop is nearly 30 years old and has been expanded several times, Mills said. There's no more room for growth within the plant.

Ford expects to switch over to the new system without interrupting production.

"It will give us a more robust process and allow us to continue our overall improvement," Mills said. "Not only does it relieve the bottleneck, it also allows us to improve our quality."

Healy called the addition another "low-risk" step in a series of Ford moves to stretch capacity without building new plants. The company's strategy has been to risk short supplies of its cars and trucks in order to avoid being saddled with excess capacity during industry slumps.

In another production move, Ford last week cleared a hurdle in its efforts to build a body and stamping complex adjacent to its Wayne, Mich., assembly plant. The plant is expected to produce the next-generation Ford Escort in 1990.

Last week's expiration of a public comment period gives the city of Wayne the go-ahead to apply to the state for permission to build on a designated wetlands site, said Assistant City Manager John Zech. Another wetlands area will be created nearby in its place.

The city owns the 85-acre parcel and has agreed to sell it to Ford. The company is expected to spend $300 million to $400 million on the 667,000-square-foot stamping plant in addition to renovating the existing Wayne plant. The plant would produce a replacement for the Ford Escort in the 1990 model year.

Zech said construction could begin as early as September, with completion targeted for mid-1989. "We feel very confident that this project will go forward," he said.

2 suppliers add Detroit centers

DETROIT — Budd Co.'s Plastics Division will establish a plastics engineering design center in Troy, Mich., and Lear-Siegler has broken ground for a research and technical center in Southfield, Mich.

Budd Co. will relocate personnel and equipment from its Madison Heights, Mich., headquarters to a leased facility in Troy. The 16,000-square-foot center, which will cost $1 million, is scheduled to open in early September.

Lear-Siegler, a supplier of automotive seating, has broken ground for a $5 million Automotive Research and Technical Center in Southfield. The center will house Automotive Group headquarters, currently located in Santa Monica, Calif. It will create 150 additional jobs that will bring the total research staff to 300.

The 69,000-square-foot facility is the second major investment for Lear-Siegler this year. The company, also a supplier of plastic components, tooling and heavy-truck air suspension and brake systems, recently completed a $3 million technical center for heavy-truck products in Muskegon, Mich.

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Third World: lower costs, higher risks

Korean, Mexican strikes shut firms

By Oles Gadacz
SPECIAL CORRESPONDENT

SEOUL, South Korea — The vulnerability of Korea's automotive industry was revealed this month when labor disputes at auto parts plants cut off the supply of parts and components needed by car assemblers.

Supplies of hot-selling cars, such as the Hyundai Excel in the United States, could have been jeopardized if the strikes were prolonged. But the slow process of returning to work began here last Friday.

In the two previous weeks, wildcat strikes spread across the country, affecting hundreds of companies, many of them serving the showcase automobile industry.

The Korean strikes, together with the current strikes at Ford and Volkswagen plants in Mexico, signal one of the risks involved in sourcing high volumes from low-cost countries. Periodic labor unrest can quickly destabilize the flow of components and finished vehicles. Korean companies expect to sell more than 300,000 cars in the United States this year. Tens of thousands more imports will be sourced from Mexico.

By far, the most serious problems have been in Korea. Korean workers have been demanding higher wages and improved workers' rights, including a voice in management, the scrapping of existing pro-management trade unions and the election of new union officers to represent their interests in labor negotiations.

The current spate of labor unrest presents the first and most serious challenge to Korean labor laws since they were overhauled in 1980.

All of the recent labor actions

see RISKS, page 52

AUTOMOTIVE NEWS JOE WILSSENS

GM closes its Norwood plant this week; 4,000 will lose their jobs

Bitter and abandoned, city fights GM closing

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

NORWOOD, Ohio — When General Motors closes its 64-year-old Norwood assembly plant this Wednesday, 4,000 workers will lose their jobs and GM will lose what it considers an albatross in its drive to cut car-making costs.

But Wednesday's closing brings no sigh of relief from GM, because the legal fallout could take years to resolve.

Norwood, a city of 26,000 that banked on GM staying around for years, filed a $318 million lawsuit against GM Aug. 7, charging betrayal of GM's commitments to the city.

Norwood's action is part of a growing movement that would hold corporations accountable to communities that nurtured their

see CLOSING, page 50

Toyota unveils Lexus Division; upscale in 1989

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

TORRANCE, Calif. — Toyota Motor Sales U.S.A. will introduce its long-anticipated upscale Lexus automotive division in the summer or fall of 1989. The first offerings will be two luxury-performance sedans.

Toyota, which will make the formal announcement today, is forecasting sales of about 30,000 cars in the 1990 model year with an initial network of fewer than 100 dealers in the top 50 luxury-car markets, said J. Davis Illingwirth, corporate manager of Lexus Division.

Ultimate volume is undetermined for the division that is designed to complement the full-line car and truck Toyota Division, but will probably be less than 150,000 units annually, Illingwirth said.

"We are looking for distinction, not volume, and you don't get distinction with high volume," he said.

The timing is a surprise to industry analysts and observers, who expected Toyota's second division to start selling next fall. That would have put Toyota a full year ahead of Nissan's recently announced Infiniti Division (Automotive News, July 27). The Japanese luxury-car segment was established by Honda's Acura Division, which was formed in March 1986.

Illingwirth said the 1989 launch decision was made to give dealers time to build a separate facility and to allow Toyota to start operations with its flagship model.

That will be a large four-door powered by a new-generation V-8. Illingwirth would not discuss pricing this far in advance, but most industry sources expect retail prices in the low-$30,000 range.

"If you're going to have an upscale image, it's very important that you have the flagship car available at the beginning," Illingwirth said. "We decided to start with our best foot forward."

The second Lexus offering will be a near-luxury four-door sedan powered by a performance-oriented V-6, Illingwirth said. Both cars will be built in Japan.

Toyota is expected to add at least a coupe in subsequent model years to fill out the line, possibly based on its Japanese-model Soarer, but Illingwirth would say only that Toyota is reviewing potential "line enhancement options" and has not yet made any decisions.

"We recognize that American car buyers are becoming more knowledgeable and affluent and that they're demanding more performance and technology in their luxury cars," said Robert McCurry, Toyota Motor Sales senior vice president.

Lexus' target market will be import-oriented luxury-car buyers emerging in the baby-boomer generation, a population segment expected to grow three times faster than the national average during the next decade.

Lexus will be maintained as a separate franchise from Toyota Division, with its own dealer network, distribution and advertising and public relations operations.

Existing Toyota dealers are being invited to apply for a Lexus franchise, although Toyota also is open to bids from non-Toyota dealers. Illingwirth said some dealers outside the Toyota family may win initial-round franchises.

Toyota will have three phases of

see LEXUS, page 51

EAGLE: *Upscale image, lineup in works as Chrysler signs ex-AMC dealers*

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors expects to round out the car lineup of its new Eagle franchise within four years as it strives to create an upscale image for the brand.

Bennett E. Bidwell, vice chairman of Chrysler Motors, also said last week that Chrysler will not resume production of the Renault Ailiance. Production ceased June 5 at the former American Motors plant in Kenosha, Wis., and the plant has been retooled to assemble the subcompact Dodge Omni and Plymouth Horizon America models.

Bidwell, speaking to the Detroit Auto Writers Group, said production of the America models [illegible] Sept. 9. Chrysler anticipates a build of 130,000 to 140,000 units in the 1988 model year, he said.

The first shift will be called back Aug. 31 and a second shift is expected to be added later in the year.

Bidwell said Chrysler hopes to keep the price of the America models below $6,000 in the 1988 model year. The 1987 model-year price is $5,799.

The AMC Eagle will be phased out, Bidwell said. Importing the Renault Medallion in a four-wheel-drive version currently remains a go program at Chrysler, he said. But, he said, "the four-wheel-drive Medallion, if it comes, will be at least a year and half to two-years out. I do not expect the Eagle to last that long."

see BIDWELL, page 53

AUTOMOTIVE NEWS JOE WILSSENS

Bidwell: "We have to launch an all-new brand. The last two to try that were Edsel and DeLorean."

Lawsuits grow over Toyota's allocation plan

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Four of the six Kansas City, Mo., Toyota dealerships have changed ownership within the year and although most of the former dealers are mum on their reasons for selling, one of them is suing the automaker for about $25 million.

Fred Angle, owner of the former Fred Angle Motors, is suing Toyota Motor Sales U.S.A. and its wholly owned subsidiary, Toyota Motor Distributors, in the Circuit Court

see TOYOTA, page 51

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Big 3 add light trucks to cleanup incentives Page 3
White House tries again to end CAFE Page 54

GM engineers among dead in Detroit plane crash

DETROIT — General Motors confirmed that 14 of its employees and seven of their family members were aboard Northwest Airlines Flight 255 bound for Phoenix when it crashed at Detroit Metropolitan Airport last Sunday, killing 157 people.

Most of the employees were en route to GM's Desert Proving Ground at Mesa, Ariz. The proving grounds are used for hot-weather testing of vehicles. The Sunday evening flight was a popular one with GM employees, who had to be at the proving grounds on Monday morning.

Two GM employees were returning with their families from vacations, GM said.

Flags flew at half-staff at GM facilities around the nation.

"My heart goes out to the relatives and friends of the fine GM employees, their family members and all of the people who were involved in this tragic disaster," said GM Chairman Roger B. Smith in a statement. "All of our employees feel this loss very personally, and fellow employees have been assigned to assist the families."

Among those GM employees killed in the crash were Don W. Briggs, 43, manager of the GM Desert Proving Ground, Mesa, along with his wife Sharon, 42, his son Matthew, 13, and daughter Megan, 8. The Briggs family was returning from a vacation in Michigan to their home in Arizona, where they had lived for about a year.

Also killed were GM employees from the Harrison Radiator division in Lockport, N.Y. They were: Kevin P. Insalaco, 27, project engineer; Louis Scarselletta, 30, staff project engineer; Thomas L. Spark, 32, senior project engineer; Carl A. Scherer, 58, supervisor — product engineering; and Phyllis A. Zigler, 32, senior project engineer.

The Harrison Radiator Division engineers were all involved in advanced design of air conditioning systems. They were among the scores of groups each year that travel from Lockport to Arizona to test new equipment, officials said.

William M. Best, 36, national accounts manager for GM's Detroit Diesel Allison Division in Dallas, was listed among the dead as were his wife, Kathryn, 32, his son, William Jr., 5, and daughters Hillary, 3, and Katelyn, 4 months. The family had been vacationing in New York state and were catching a connecting flight.

The following is the list of other GM employees aboard the plane: Kenneth A. Bell, 28, project engineering technician, Truck & Bus Group, Milford, Mich.; Lewis E. Dresch, 45, system manager, Chevrolet-Pontiac-GM of Canada Group, Warren, Mich.; Patrick A. Gleason, 49, staff engineer, C-P-C Headquarters, Warren; Douglas A. Hagler, 31, staff project engineer, Buick-Oldsmobile-Cadillac Group, Flint, Mich.; Gary A. Kimmel, 34, laboratory technician, Truck & Bus Group, Milford; Ernest J. Mathews, 38, systems manager, C-P-C Headquarters; and Jay T. Strausbaugh, 29, design release engineer, C-P-C Headquarters.

Other GM employees reportedly were killed in the crash but were not included on GM's official list.

Louis Talarico, 24, of Lansing, Mich., was listed among the dead. He was an assembly line worker at GM's complex in Lansing and was headed for a two-week vacation in Phoenix with a friend.

Another GM employee, Eddie Galloway, 38, of Detroit was killed when the airliner crashed into his truck as he drove past the airport. Galloway was a computer programmer in the automotive design studios at GM's Technical Center in Warren.

A Ford Motor Co. retiree, Robert Gaines, 70, of Rochester Hills, Mich., was also among those killed, as was an executive secretary for Chrysler Corp.'s Phoenix zone, Sandra Garriott, 37. Ms. Garriott had been visiting relatives in Detroit and was returning to her home in Arizona.

EDS retirement program sparks IRS inquiry at GM

By Nicky Robertshaw
CRAIN NEWS SERVICE

WASHINGTON — The Internal Revenue Service is reconsidering the tax-exempt status of General Motors' $11 billion salaried retirement program after some employees complained that GM illegally cut their early-retirement benefits.

If the tax-exempt status is revoked, it could cost GM at least $400 million in earnings per year, according to auto analyst Ronald A. Glantz, Montgomery Securities vice president.

"It means the interest on the stocks and bonds in the plan would be taxable, which would reduce the return on investments and require a larger contribution to the plan," Glantz said. "It would hurt earnings."

At issue are the benefits of some 7,000 GM data processing employees transferred to Electronic Data Systems following GM's 1984 takeover of the Dallas firm.

The transferred employees became participants in the EDS pension plan and, as a result, do not become eligible for early retirement as quickly as they would under GM's plan.

Currently, the GM salaried retirement plan includes 134,000 active employees and 60,000 retirees in the United States as well as 14,000 former employees who are vested but do not yet draw benefits.

The IRS reviewed GM's status after being notified by Sen. Carl Levin, D-Mich., of complaints from GM employees, according to a Senate aide.

The GM plan has a 30-and-out provision, which gave an employee an early retirement option after 30 years of service regardless of age. The EDS plan sets age 55 as the requirement for early retirement.

Two of the transferred employees, who would have reached the 30-year mark this year, sued GM in 1984, claiming they were entitled to remain eligible for the 30-and-out program.

In an Aug. 5 letter, IRS officials said GM no longer can depend on a March 1986 favorable determination letter on its salaried plan, because the letter might have been issued in error. The letter was issued after GM directors amended the salaried plan to exclude employees of any subsidiary acquired after March 1, 1984, from participation in the plan, including the credited service portion.

The amendment was approved Oct. 3, 1984, after the directors agreed to merge with EDS. The merger was completed two weeks later.

In responding to charges by the two transferred GM workers, GM pointed to the Oct. 3, 1984, amendment. A U.S. District Court in Flint, Mich., ruled in favor of GM. The decision has been appealed to the 6th U.S. Circuit Court of Appeals.

IRS officials said the determination process for the GM plan is being reopened and, in the meantime, GM would have a chance "to amend the plan or otherwise resolve any of the issues raised."

A GM spokeswoman said the company is "cooperating fully" with the IRS. Although company executives don't believe the agency will find any reason to drop the fund's tax-exempt status, it will address any problems the IRS might find, she said.

Gerald D. Facciani, president, of a Cleveland consulting firm, Facciani and Co., noted that the GM case is only one of many employee lawsuits being brought under the Retirement Equity Act of 1984.

"The way companies and sponsors have responded to this situation is to be as liberal as they can to avoid just this kind of employee suit and the adverse publicity that comes with it," he said.

Stuart J. Brahs, executive director of the Association of Private Pension and Welfare Plans, said: "It's disturbing that a company can get a favorable letter from the (IRS), but then it later turns and says, 'Forget it.' "

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61st year—No. 5195

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We didn't go out and say to the dealers, 'Hey guys, we're going to do something different.' "
— LANE

OLDSMOBILE: *Straight on course for 1988 with more ad money, new Cutlass*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

LANSING — A new car and a bigger push on advertising will pull Oldsmobile out of the sales slump it has been in during the 1987 model year.

The forecast was from William Lane, Oldsmobile general manager, who said the division will boost sales in the 1988 model year by spending more on advertising. Advertising will be focused toward specific audiences and on the product.

Also, the new front-drive Cutlass Supreme, Oldsmobile's version of the GM10 car, will add to Oldsmobile's overall sales and will create a halo effect over the rest of the division's model line, Lane said.

Oldsmobile sales during 1987 have been running 25-30 percent lower than levels of the previous year. General Motors' overall sales have been running 15 to 20 percent behind the year-earlier.

Lane predicted that 1987 model-year sales will be 802,000 to 805,000 cars. For the 1988 model year, Oldsmobile projects sales will be 865,000 units.

It had seemed that Oldsmobile had been immune to the ups and downs of the auto cycles. For four consecutive years — from 1983 to 1986 — Oldsmobile sales broke the 1 million mark. Even during the recession, sales were above 800,000 units a year except for 1982 when sales totaled 799,585.

But for the first half of 1987, Oldsmobile sales totaled 381,132 units, down 32 percent from 558,553 units in the year-earlier period. Oldsmobile's market share, which has been running between 9 and 11 percent for several years, fell to 7.5 percent in the half.

The sales slide has led some dealers to fear that Oldsmobile is headed down the same path as Buick. Buick sales have tumbled as the division has struggled to sort out what kind of cars it should sell and to whom they should be sold.

Lane doesn't agree with the comparison.

"If you look at us over the years," he said, "we've been able to maintain a steady sales record. Where other ones were having peaks and valleys, we just kind of rolled along. I think the reason we did that is because we stuck with the plan."

Oldsmobile and its dealers have not changed direction, Lane said. "There wasn't any problem for Oldsmobile in terms of market segmentation definition. We didn't go out and say to the dealers, 'Hey guys, we're going to do something different.' "

Lane said Oldsmobile will push for innovation, engineering leadership and high styling in its automobiles. "That's where we've always been," he said.

Lane explained this year's sales slide by pointing to the difficulty of maintaining its repeated sales records: "Any time you don't set another record, you're going to see minuses."

More importantly, however, Oldsmobile has been socked by competition. Japanese imports have recently moved upscale, into the midsized segment, the heart of Oldsmobile's market. Ford Motor Co. also has become a significant factor.

"We see Ford products coming more as alternates now in our market, where before Ford products used to be lower-priced and even smaller. By Oldsmobile's count, 615 models of cars are sold in the United States today. With all of that competition and the advertising that goes along with it, it's difficult to get the message across to customers in advertising," Lane said.

"Chevrolet obviously spends more than any of us, and I think they're witnessing the same thing," he added. "You can't break through everything that's out there even if you're as big as Chevrolet."

Oldsmobile hopes to "break through the clutter" with advertising that will emphasize product, not lifestyle. Lane said the Aerotech, Oldsmobile's test and show car equipped with the Quad 4 multi-valve engine, will be used to emphasize technology, innovation and engineering leadership.

Advertising will focus on the features of Oldsmobile cars and the benefit of those features to buyers.

Hertz says fleets take half of sales

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Cars purchased for business use — rentals, leased vehicles and business-owned fleets — continued to account for nearly half of all new-car sales in the United States last year.

An annual survey of the car-truck lease and rental industry prepared by Hertz Corp. reported that increased 1986 revenues were accompanied by a record high number of vehicles in service.

Hertz said revenues for the lease-rental industry soared 23.4 percent to $64.626 billion in 1986, from $52.368 billion in 1985.

The number of rental and lease vehicles in service during 1986 grew 7.1 percent over 1985 to a new high of 7,199,000. Total vehicles in service during 1985 was 6,719,000. The dollar figures and the number of vehicles in service include cars and trucks.

The Hertz figures for "non-personal" cars include fleet sales (organizations buying 10 or more units a year), smaller businesses and government groups purchasing four to 10 vehicles annually and sales to individuals who drive more than 50 percent for business.

Hertz spokesman Leigh Smith said survey totals are compiled from manufacturers and from independent polls.

According to Hertz, "Sales of all new non-personal cars rose 4.5 percent from 5,145,000 in 1985 to a record 5,374,000 last year." Last year's total was 48.2 percent of total new-car sales, Hertz said.

The survey showed that import makes accounted for 7.1 percent of non-personal-car sales in 1986.

The survey noted that the ratio of new non-personal sales to all new auto sales has been in the 40 to 60 percent range for the past 20 years.

The report said there was an 11.8 percent jump in the number of rental cars on the road last year, and a 21 percent increase in rental car revenues.

The survey showed that the average age of lease-rental vehicles dipped in 1986. The report said the average "holding time" edged down to 3.13 years from 1985's 3.33 years. Hertz noted that both times are far above the 2.45-year average in 1972, the last year before the first Arab oil embargo.

Hertz said that the average age of the nation's 176.4 million vehicles was 7.73 years in 1986.

LEASE-RENTAL IN DETAIL

	1986	1985	1975
Car rental			
Units	766,000	685,000	373,000
Revenues (billions)	$6,532	$5,431	$1,649
Car leasing			
Units	4,971,000	4,854,000	3,745,000
Revenues (billions)	$35,510	$32,082	$10,636
Truck rental			
Units	235,000	226,000	155,000
Revenues (billions)	$4,688	$3,845	$1,153
Truck leasing			
Units	1,227,000	954,000	765,000
Revenues (billions)	$17,896	$11,010	$4,108

Source: Hertz Corp.

WELL USED: *Fleets keep vehicles longer, drive them farther, NAFA finds*

WASHINGTON — Operators of commercial fleet vehicles in the United States are holding on to their cars longer and driving them more miles before disposing of them.

The National Association of Fleet Administrators' 1987 used-car marketing survey found U.S. commercial vehicles were an average of 31 months old when sold and had been driven an average of 64,356 miles.

Last year, commercial fleets reported average disposal at 30.2 months and 61,029 miles.

U.S. commercial fleets responding to the survey said they sold 52,417 vehicles last year. Most of them were 1984 models. As in past years, most of the vehicles were disposed of through auto auctions and auto wholesalers, the association said.

When determining used-car prices, 47 percent of fleet operators responding to the survey said they use the Automotive Market Report. Nearly all respondents (97 percent) said they did not recondition vehicles before sale.

The 1987 survey gathered 406 responses from fleets across the United States and Canada. The survey contains data on U.S. commercial fleets, Canadian fleets, U.S. public utility fleets and government fleets.

Those responding to the survey control 102,263 company-owned vehicles and 102,676 leased vehicles for a total of 204,939. The association's 1,700 members control an estimated 2.7 million cars, light trucks and vans.

Big 3 add light trucks to cleanup incentives

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROT — General Motors, Ford Motor Co. and Chrysler Motors have added light trucks to their year-end incentive programs that had previously covered selected car models.

The Big 3 are offering cash rebates and cut-rate loans as low as 1.9 percent on some 1987 light trucks.

GM led the pack with an announcement on Aug. 14 that its Chevrolet and GMC compact pickup trucks and sport-utility models would join its incentive lineup. Chrysler followed 2½ hours later with incentives on its Dodge Dakota pickup. Ford responded on Aug. 18 with incentives on Bronco II and Ranger.

The GM and Ford car and truck programs run until Sept. 30; Chrysler said its program has no expiration date.

Under the GM truck incentive program, buyers of Chevrolet S-10 pickups and Blazers and GMC S-15 pickups and Jimmys can choose a cash rebate of $1,000 or low-interest financing. Buyers of the Chevrolet S-10 EL pickup and the GMC S-15 X81 pickup will receive $500 rebates or low-interest loans.

Financing rates on the GM compact trucks include 1.9 annual percentage rate on 24-month loans, 3.9 APR on 36-month loans, 4.8 APR on 48-month loans and 8.9 percent on 60-month paper.

No dealer financial participation is required on the trucks. There is dealer financial participation on GM cars in the cleanup program.

Ford is offering $1,000 rebates on Bronco II 4x4s and Ranger 4x4s and $700 on Bronco II 4x2s and Ranger 4x2s. The customer can choose the rebate or financing between 1.9 APR for 24-month loans and 8.9 APR for 60-month loans.

A cash rebate of $500 is available on F-150, F-250 and F-350 models equipped with manual transmissions. The low-rate financing option is not available on the F-series trucks.

No dealer financial participation is required in the Ford truck program.

Chrysler said buyers of its two-wheel-drive and four-wheel-drive Dodge Dakota pickups, except the Dakota S model, can choose a $1,000 rebate or financing between 1.9 APR and 8.9 APR. Dakota S buyers receive a $500 cash rebate or the financing. The Chrysler program has no ending date and requires no dealer financial participation.

Chrysler's Jeep-Eagle Division — formerly American Motors — sweetened its truck incentive program on Aug. 20. Buyers of two-door Jeep Cherokees and four-wheel-drive Comanche models may choose a $1,000 rebate or financing between 1.9 APR for 24 months and 8.9 APR for 60 months. The previous program offered $1,000 on two-door Cherokees or financing between 3.9 and 9.9 APR, and $1,000 on 4wd Comanches or financing between zero and 9.9 percent.

Buyers of the 2wd Comanche may select a $700 rebate or financing between 1.9 APR and 8.9 APR. The previous program offered a $500 rebate or financing between zero APR and 9.9 APR.

Four-door Cherokees and Wagoneers have a $700 cash rebate or financing between 3.7 APR for 24 months and 8.9 APR for 60 months. The previous program offered a $600 rebate or financing between 5.9 APR and 9.9 APR on those models.

The Jeep program runs until Sept. 30 and requires no dealer financial participation.

Japan bows to U.S. pressure to monitor sales of parts

By John Suzuki
SPECIAL CORRESPONDENT

TOKYO — The United States won an important strategic concession in its auto parts trade talks with Japan. It is an agreement that Japan will monitor all transactions involving Japanese automobile producers and American suppliers for the next five years.

The accord, announced jointly by the two governments last Tuesday, brought to a close the market-oriented, sector-selective, or MOSS, talks on auto parts. Those talks, involving the U.S. Commerce Department and Japan's International Ministry of Trade and Industry, began last August.

At the outset last August, the Japanese government had opposed the concept of a monitoring system. A basic agreement on that issue subsequently was reached in February of this year, although sources claim that Japan initially supported only a three-year monitoring period.

In a press briefing, Bruce Smart, undersecretary of Commerce for international trade, said he believes the provisions "will give us a good data base to measure how the trends are taking place."

Specifically, the U.S. government hopes to accumulate data on the value of U.S. parts purchased by Japanese car manufacturers both in Japan and the United States in addition to the number and type of purchasing relationships between Japanese makers and American suppliers.

Also to be made available is the number of prototype samples ordered from American parts suppliers for import into Japan for the 12-month period through July of this year.

Data collection is to be administered on a "voluntary" basis by the Japan Automobile Manufacturers Association. It will be compiled semiannually, beginning in the current Japanese fiscal year through fiscal 1991 (to March 1992).

U.S. auto parts exports to Japan are estimated to have reached $203.4 million in 1986, 6 percent over the previous year's total. That compares with more than $5.8 billion in imports from Japan, creating an auto parts imbalance of $5.6 billion.

JAMA, however, claims that total Japanese purchases, including those by Japan's U.S. manufacturing subsidiaries, approached $2.5 billion during the year, up 44 percent in dollar terms.

Smart said he believes the greatest achievement in this round of talks was the increased awareness of Japanese companies to open bidding to foreign suppliers and, similarly, the increased awareness of American companies of the need to compete "Japanese style" to meet the needs of Japanese automakers who insist on 100 percent quality, just-in-time delivery and other specifications and conditions.

He added that the agreement is likely to have little effect on the omnibus trade legislation being debated by Congress.

John Creamer, director of the Japan office of the U.S. Automotive Parts Industry, said, "We've succeeded in focusing some attention on the parts industry."

Creamer's office is supported jointly by the Commerce Department and the Motor and Equipment Manufacturers Association.

Another official, who asked that his name not be disclosed, added, "The agreement gives the Japanese auto companies an excuse to buy from American suppliers."

The agreement contains additional provisions to identify purchasing contacts in Japan for U.S. parts suppliers and to foster trade development, including Japanese government and industry cooperation in seminars and trade shows.

One area not addressed in the talks, though it has become an increasingly hot topic in the United States, concerns the increasing tendency of Japanese auto parts companies to shift part of their operations to the United States along with the movement of Japanese assembly plants.

A U.S. Embassy report published in January predicted that a minimum of 300 Japanese supplier companies would set up some sort of U.S. production base within the next couple of years. Some now are suggesting that estimate may be too low.

Lee Kadrich, director of government affairs for the Automotive Parts and Accessories Association, called for a curtailment of Japanese parts companies moving to the United States.

Reflecting the Reagan administration's free-trade position, Smart took exception to that view. He said, "The U.S. welcomes foreign investment and gives it the same treatment in almost all cases it does U.S. investment. The increase in assembly and parts plants in the U.S. will make the auto market there much more competitive than in the past.

"I would assume, however, that Japanese investors considering opening plants in the U.S. would consider the effects of excess capacity and other market conditions in their investment decisions," he said.

UAW chief labels MOSS talks 'a dismal failure'

DETROIT- UAW President Owen Bieber branded the just-completed MOSS talks with Japan on auto parts trade "a dismal failure." He said the union would stress the administration's failure to achieve anything in the talks as Congress prepares for final action on trade legislation.

"Instead of attacking head-on the closed doors facing U.S. auto parts makers trying to sell to Japanese companies and their traditional supplier firms, the MOSS talks managed only to reach agreement on the collection of data on the U.S. parts purchases of Japanese auto companies," Bieber said.

"This measurement of purchases is in no way an acceptable substitute for specific commitments to increase purchases of auto parts from U.S. companies," he added.

"The rapidly expanding U.S. trade deficit with Japan in auto parts must be reversed if we are to preserve the jobs and production in the industry that are vital to a healthy, technologically advanced U.S. auto industry," the UAW president said.

Bieber also said Japan's U.S. plants that use extremely small amounts of U.S. parts content are strangling domestic parts producers and reducing employment opportunities for American workers. He said that parts imports from Japan and elsewhere continue to soar.

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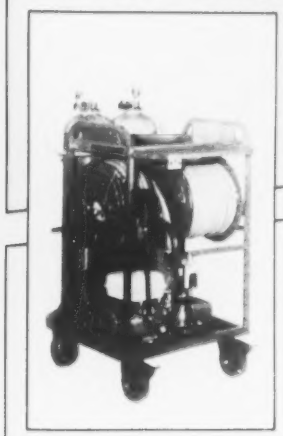

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Circle ReaderService #15

Taiwan's automakers emphasize home market; first half up 30%

By Stephen Vines
SPECIAL CORRESPONDENT

TAIPEI, Taiwan — While automakers overseas are anxiously looking over their shoulder at the new competition likely to be posed by the exports from Taiwan's auto industry, Taiwanese companies are more worried by problems of meeting growing domestic demand.

The idea that Taiwan will shortly be a second Korea in auto export markets is premature. The emphasis remains on the home market, at least for the time being.

Home sales in the first half of this year rose by almost 30 percent to 73,576 units, compared with sales of 56,685 in the first half of last year. Although there may be some slight tailing off in the second half of the year, no one doubts the strong underlying growth trend. In recent years, sales have grown by an average of 10 percent.

Taiwan's domestic passenger-car market

Company	Jan.-June 1987	Jan.-June 1986
Yue Loong	25,736	22,328
Ford Lio Ho	17,020	11,854
San Yang	15,260	9,877
Daihatsu	6,597	4,699
San Fu	5,131	,471
Yeu Tyan	3,175	2,467
China Motors	657	989
Total	73,576	56,685

Automotive News estimates based on company sources.

"It would be higher," said Lin Chin-shiang, president of Honda distributors Nan Yang, "but parking problems are so bad and road conditions so restrictive that it is holding back the expansion of the market." The problem is particularly acute in the capital, Taipei, which accounts for 35 percent to 40 percent of all new-car sales.

The main reason for the sales boom is simply the rapid increase in Taiwanese living standards, created by a consistent rise in gross national product. It is providing higher wages against a background where inflation in nonexistent or minimal.

Car ownership was a mere one vehicle per 1,000 people in 1952. According to the most recent statistics available, covering 1986, ownership has risen to 77 per 1,000 and is believed to be considerably higher now.

The rise in sales comes despite the high prices in the domestic market. The top selling locally made Honda Civic, for example, retails at $338,000 Taiwan dollars ($10,600 U.S.) for the manual version.

The automatic transmission version plus extras (including air conditioning) sells for $12,800.

In part, these high prices are generated by heavy tariffs on imported components and even higher tariffs on imported cars. However, the 35 percent tax on components and the 55 percent tax on imports of built-up cars is being gradually cut and eventually a reduction of 10 percent to 15 percent in retail prices is expected.

The local manufacturers' argument for maintaining high prices has recently been slightly undermined by two new import challengers making a push in Taiwan. Fiat of Italy and Seat of Spain are vigorously entering the market with lower-priced cars. They are beginning to make some impact. Their success is all the more impressive because they have been able to price low despite heavy import taxes.

Japanese imports are banned because, in the words of one motor company source, "there's no way we could compete with them. If they were allowed in, we would all be dead."

In fact, the Taiwanese in the past would have liked to keep out all auto imports. But they were threatened with a big stick by the U.S. government. Strong pressure forced them to allow in, often on preferential terms, American-made vehicles, or risk jeopardizing its other exports to the U.S., which make up about 50 percent of Taiwan's exports.

Denied direct access to the Taiwanese market, Japanese manufacturers have joined with local companies to make cars in Taiwan. The biggest partnership is between Yue Loong and Nissan, which acquired a 25 percent stake in the company in 1985.

This has every appearance of a marriage of convenience rather than one of love. Yue Loong would like to be more independent of the Japanese, and has taken a significant step in this direction by developing its own car, the Feeling. Nissan, on the other hand, shows every sign of wanting a bigger say in the Taiwanese company.

The company is run by the formidable Vivian Wu Yen, who took over from her husband in 1976 and was named president when he died in 1981. She has a reputation for concentrating all control in her hands and has long since ceased to be regarded as a mere surrogate for her husband who founded the company.

Despite a rigorous program of up-grading quality control and ambitious expansion plans now yielding annual production of 70,000 units, Yue Loong is still fighting to stop its decline in market share.

A joint deal with Chrysler and Nissan, initiated some two years ago to co-produce a 1.2-liter passenger car, collapsed, much to the annoyance of Yue Loong, which was hoping to sell the new car in the American market. Chrysler is believed to have been paid a few million dollars in compensation to Yue Loong for its failure to fulfill its undertakings.

Yue Loong President Vivian Wu Yen has a reputation for concentrating all control in her hands.

Far happier with its international ties is Ford Lio Ho, which is 70 percent owned by Ford. It is strongly linked to Ford's Japanese partner, Mazda, which in turn is 25 percent owned by Ford. The company is fully integrated into Ford's world car strategy and became Taiwan's first major car exporter in July 1986, when it began sales to Ford of Canada.

Last month, however, Ford Lio Ho suffered a serious production set-back when its modern plant at Chungli, near Taipei, was hit by a storm that lifted the root off.

Interestingly, Lio Ho was negotiating with Japan's Toyota before it joined forces with Ford in 1972. Toyota pulled out of the talks when it decided to concentrate on mainland China rather than Taiwan.

China, however, turned out to be a bit of a disappointment, and Toyota is back in Taiwan with truckmaker Kuo Zui. It still might be back with a car-making project, despite the spectacular failure of its early 1980s proposed joint venture with the China Steel Corp.

Perhaps the most successful of the Taiwan-Japanese associations is the link between San Yang and Honda, in which Honda has a 15 percent stake. Sales growth is rapidly overtaking that of the competition, despite the fact that the Taiwanese plant is essentially a one-model operation turning out Honda Civics. Honda Accords are imported from the United States by San Yang's sales arm, Nan Yang. It is considering importing the luxury Honda Legend from Britain, where it is made by Austin Rover Group.

According to Nan Yang President Lin Chin-shiang, the more liberal import regime in Taiwan is also leading the company to look further afield for component supplies.

Renault and Peugeot of France have local production agreements that are proving to be modestly successful, not least because of a fascination in Taiwan for European design. Meanwhile, Nissan-associate Daihatsu and Mitsubishi are struggling for a toe-hold in the market.

Home sales "would be higher, but parking problems are so bad and road conditions so restrictive that it is holding back the expansion of the market."
— CHIN-SHIANG

Cadillac mulls Cimarron's future

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Cimarron is receiving a lot of attention from Cadillac market planners and engineers these days, and its future is uncertain.

Cadillac General Manager John O. Grettenberger said options for the Cimarron will be looked at during the next few months. Several options — keeping it, dropping it or replacing it with something more expressive — are being considered.

The one option not being considered is replacing the present Cimarron with the Opel Senator, as has been speculated.

Whatever happens, the Cimarron will have to be repositioned. The current Cimarron, Grettenberger noted, is priced several thousand dollars lower than the Nissan Maxima and Toyota Cressida. Grettenberger said every Cadillac should be at the upper end of its segment.

Grettenberger confirmed that the division is exploring the possibility of a 12-cylinder engine for a future car. He also mentioned the possibility of a 16-cylinder engine.

However, he said, such a project would be a major undertaking because it would have to be placed in an all-new front-wheel-drive car. Cadillac would be the first automaker to have a 12-cylinder or 16-cylinder engine in a fwd car.

Meanwhile, Grettenberger said Cadillac is taking "drastic steps" to make the Eldorado and Seville more expressive in the future. They will be positioned to go head-to-head with the European imports.

Cadillac's Fleetwood, built off the C-car platform shared by the Buick Electra/Park Avenue and Oldsmobile 98, will "take a leap beyond" its Buick and Oldsmobile sister cars in the 1989 model year when it is restyled to be more distinctive, Grettenberger said.

Grettenberger predicted the luxury segment will remain strong in the coming years, despite forecasts by some auto analysts that the segment will be squeezed. He said Cadillac will continue to emphasize powertrains, styling and functional features that the luxury buyer expects along with excellent quality.

For the 1988 model year, Grettenberger expects sales of 292,000 units. Sales for the 1987 model year are expected to be 278,000 to 280,000.

GROWTH: *Mid-Atlantic Toyota expands; $11 million in facilities added*

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

GLEN BURNIE, Md. — Mid-Atlantic Toyota has opened an $11 million addition to the parts warehouse and service training facilities at its suburban Baltimore headquarters.

The 170,000-square-foot addition nearly doubles the size of the parts warehouse to 316,000 square feet and also provides additional space for the distributor's service training operation. Mid-Atlantic Toyota conducts about 14,000 man-hours of classroom and hands-on service instruction per year.

Jack Brown, president and chief executive of Mid-Atlantic Toyota, said the investment reflects the company's expanding sales. Last year, the firm sold more than 88,000 cars and trucks to move past Gulf States Toyota, Houston, for second place among Toyota's three distributors, according to Brown. Southeast Toyota Distributors, Pompano Beach, Fla., is first.

Part of his company's success, Brown said, has been an almost threefold increase in truck sales, moving from about 12,000 units in 1983 to 30,000 last year.

Some of the 350 guests tour Mid-Atlantic Toyota

"When I came here in 1983, it was said that we don't have a truck market," Brown said of the five-state Mid-Atlantic area that includes Maryland, Virginia, Pennsylvania, West Virginia and Delaware. "Our market is a bit different, but our dealers have done a good job selling trucks."

While he sees sales this year remaining at or just below last year's level, Brown said that the addition of Toyota's Kentucky plant and the softness of the market for other other imports presents an opportunity for Mid-Atlantic to boost its sales and allocation of vehicles.

With increased volume, the additional parts and service training facilities will play an important role, he said.

"We're building for the future," Brown said.

Mid-Atlantic, with sales of more than $1.1 billion annually, recently signed another five-year agreement with Toyota Motor Sales U.S.A. The distributor has about 100 dealers and plans to add three or four more in the next year. It also will continue a program to upgrade the facilities of its current dealers.

AUCTION DATES

American Motors

Aug. 25 — D-A Auto Auction, New Stanton, Pa.

Aug. 26 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Aug. 27 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Wolfe's Evansville Auto Auction, Evansville, Ind.

Aug. 28 — St. Louis Auto Auction, St. Louis

Chrysler Corp.

Aug. 25 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Aug. 26 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Albama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

Used Car Sales
Auction Averages

August to date	$6,068
Month ago	$5,923
Year ago	$5,222

Aug. 27 — Fredericksburg Auto Auction, Fredericksburg, Va.

Aug. 28 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Aug. 25 — South Seattle Auto Auction, Kent, Wash.

Aug. 26 — Columbus Fair Auto Auction, Obetz, Ohio; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City

Aug. 27 — Greater Chicago Auto Auction, Chicago; Skyline Auto Exchange, Fairfield, N.J.; and St. Louis Auto Auction, Bridgeton, Mo.

Model Breakdown
Auction Averages

	AUG 1987	JUL 1987	JUN 1987
1987	$11,377	$11,512	$11,113
1986	$8,942	$9,032	$9,187
1985	$7,392	$7,394	$7,191
1984	$5,766	$5,756	$5,727
1983	$5,036	$5,081	$4,852
1982	$3,652	$3,684	$3,687
1981	$2,637	$2,642	$2,680
1980	$2,067	$2,068	$2,134*
Overall Average	$6,068	$6,030	$5,900

General Motors

Aug. 25 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 26 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Aug. 27 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Kent, Wash.

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PRODUCTION

Auto build is 92,461

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic weekly auto production is beginning to accelerate as several assembly plants resume output after being idle for model changeover.

Automakers' targeted car production of 92,461 last week was 17.02 percent more than the previous week's 79,015 but dipped 32.80 percent from the year-ago week's 137,592.

Last week's scheduled production was shared as follows: General Motors, 42.09 percent; Ford Motor Co., 27.94 percent; Chrysler Motors, 17.30 percent; Honda of America Manufacturing Inc., 5.80 percent; New United Motor Manufacturing Inc., 4.06 percent; and Nissan Motor Manufacturing Co. U.S.A., 2.81 percent.

As reported earlier, Volkswagen of America's Westmoreland, Pa., plant is closed for model changeover. The plant was scheduled to resume production on Sept. 14 but start-up has been delayed at least a week because of the VW strike in Mexico.

Ford's Lorain, Ohio, plant was closed Tuesday until late Thursday because of a parts shortage, affecting about 2,900 workers.

On Oct. 19, GM will reduce production at its Wentzville, Mo., plant from two shifts to one, laying off about 2,700 workers. The Wentzville facility assembles the Buick Electra, Oldsmobile 98 and Oldsmobile 88 models.

Three GM plants were scheduled to resume production today after model changeover downtime. They are: Lordstown, Ohio; Detroit-Hamtramck; and the Pontiac Fiero plant in Pontiac, Mich.

GM's Arlington, Texas; Framingham, Mass.; and Doraville, Ga., plants remain idle for changeover.

The No. 1 line at Chrysler's Kenosha, Wis., plant is slated to resume output today after being down for vacation. The No. 2 line is scheduled to resume production on Sept. 7.

Ford's Kansas City, Mo., plant remains closed for model changeover.

Ford has scheduled daily overtime this week at its Dearborn, Mich., and Wixom, Mich., plants.

Truck production declines 11%

Last week's scheduled domestic truck production totaled 58,583 units, 11.82 percent below the previous week's 66,436 and 1.79 percent below the year-ago week's 59,650.

Year-to-date, 2,421,917 trucks have been assembled, 5.25 percent more than the 2,301,008 completed last year at this point.

Chrysler's Jeep plant in Toledo, Ohio, was idle last week for vacation. Ford slated daily overtime this week at its Louisville, Ky., plant.

Week's output climbs in Canada

Canadian car and truck output last week increased over the prior week's production as vacation downtime tapered off.

Last week's targeted car output of 6,937 was almost double the previous week's 3,729 but fell 47.01 percent from the year-ago week's 13,092.

So far this year, 482,127 cars have been assembled, 28.80 percent below the 677,175 completed last year at this time.

Truck output of 15,698 last week rose 18.70 percent over the prior week's 13,225 and was 20.70 percent more than the year-ago week's 13,006.

Volvo's Halifax, Nova Scotia, car plant was down last week for vacation. The plant is scheduled to resume production today.

CANADIAN CAR	Week Ended Aug. 22, 1987	Week Ended Aug. 23, 1986	Week Ended Aug. 15, 1987	Aug. to Date	Jan. 1 to Aug. 23, 1986	Jan. 1 to Aug. 22, 1987
AMERICAN MOTORS	100	97	109	316	2,530	3,509
FORD MOTOR	3,680	11,262	2,662	7,219	336,317	296,775
GENERAL MOTORS	2,757	1,733	502	3,310	331,877	166,530
HONDA	400	0	456	1,208	0	8,896
VOLVO	0	0	0	0	6,451	6,417
Total Cars, Canada	6,937	13,092	3,729	12,053	677,175	482,127
U.S. TRUCK☆						
CHEVROLET	15,830	15,215	17,783	52,239	756,410	741,974
DODGE	7,300	3,690	7,169	20,962	62,599	166,782
FORD	21,931	27,089	24,837	74,088	925,329	941,558
GMC	6,969	4,090	5,229	18,934	237,972	248,649
NAVISTAR	1,673	1,610	1,661	4,977	46,428	46,657
JEEP	0	3,669	4,900	9,200	116,132	137,137
NISSAN	2,130	1,937	2,107	6,300	79,036	54,200
AM GENERAL*	450	50	450	1,350	1,662	9,360
MISCELLANEOUS*	2,300	2,300	2,300	6,900	75,440	75,600
Total Trucks, U.S.	58,583	59,650	66,436	194,950	2,301,008	2,421,917
CANADIAN TRUCK						
AMERICAN MOTORS	935	745	778	2,489	17,754	21,355
CHRYSLER	6,045	8,489	6,852	18,713	257,446	259,401
FORD	2,432	3,586	3,388	8,552	105,136	95,302
GENERAL MOTORS	6,060	0	1,981	9,716	172,031	139,957
NAVISTAR	226	166	226	632	6,167	5,950
Total Trks., Canada	15,698	13,006	13,225	40,102	558,534	521,965
U.S., Canada Trks.	74,281	72,656	79,661	235,052	2,859,542	2,943,882

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Aug. 22, 1987	Week Ended Aug. 23, 1986	Week Ended Aug. 15, 1987	Aug. to Date	Jan. 1 to Aug. 23, 1986	Jan. 1 to Aug. 22, 1987
AMERICAN MOTORS	0	1,463	0	0	35,528	15,994
Renault Total	0	1,463	0	0	35,528	15,994
Alliance	0	1,463	0	0	32,181	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	16,000	24,455	14,308	44,982	872,064	677,471
Plymouth Total	4,700	8,759	5,005	14,675	263,743	201,966
Horizon	0	3,729	0	0	111,771	32,997
Sundance	1,300	1,066	1,273	3,558	8,373	60,136
Reliant	2,800	2,729	3,078	8,795	102,171	73,179
Caravelle	600	692	654	1,827	29,550	31,846
Gran Fury	0	543	0	495	11,878	3,808
Chrysler Total	5,200	6,067	4,184	13,867	272,119	229,253
Laser	0	0	0	0	27,239	0
LeBaron K	1,000	784	946	2,963	65,075	46,831
LeBaron J	1,700	0	918	2,618	0	72,812
LeBaron GTS	600	1,311	648	1,728	44,788	25,657
N. Yorker E-Class	1,700	1,118	1,672	4,922	49,985	51,715
N. Yorker C-Class	200	0	0	200	0	200
Fifth Avenue	0	2,854	0	1,436	85,032	32,038
Dodge Total	6,100	9,629	5,619	16,440	336,202	246,252
Daytona	1,200	0	653	1,853	30,807	35,762
Omni	0	3,711	0	0	107,795	28,363
Shadow	1,500	955	1,404	3,968	7,350	61,901
Aries	2,500	2,262	2,645	7,673	80,158	68,845
Dodge 600	500	716	555	1,565	48,410	28,487
Lancer	400	742	362	1,039	35,388	16,140
Diplomat	0	1,243	0	342	26,294	6,754
FORD MOTOR	25,830	40,304	24,373	73,312	1,157,293	1,190,712
Ford Division	17,916	27,620	17,077	52,053	790,806	845,287
Escort	5,917	8,025	5,725	18,717	251,268	239,327
Mustang	3,525	3,958	3,077	9,072	124,612	135,702
Tempo	0	4,312	0	0	128,885	99,830
Taurus	6,865	8,962	5,243	19,623	183,516	267,620
Thunderbird	1,609	2,363	3,032	4,641	102,525	102,808
L-M Division	7,914	12,684	7,296	21,259	366,487	345,425
Mercury Total	3,714	9,484	3,394	9,479	253,970	230,646
Lynx	0	1,428	0	2	42,716	21,352
Capri	0	643	0	0	11,664	0
Topaz	0	1,118	0	0	38,483	32,858
Cougar	1,519	3,331	1,995	3,514	84,090	91,169
Sable	2,195	2,964	1,399	5,963	77,017	85,267
Lincoln Total	4,200	3,200	3,902	11,780	112,517	114,779
Continental	0	322	0	0	12,564	9,610
Lincoln	3,499	2,399	3,252	9,816	84,393	87,738
Mark VII	701	479	650	1,964	15,560	17,431
GENERAL MOTORS	38,921	59,066	26,809	85,103	2,729,389	2,209,869
Buick Total	13,082	12,882	6,877	22,726	509,092	357,114
Skyhawk	1,095	1,497	734	1,829	56,545	18,280
Century	3,165	3,228	2,027	6,886	157,862	110,111
Regal (rwd)	625	1,198	10	635	40,835	29,835
Somerset/Skylark	1,930	1,606	300	2,230	72,331	39,302
LeSabre (fwd)	4,440	3,918	1,963	6,403	95,869	87,096
LeSabre (rwd)	129	302	73	332	10,061	6,033
Electra (fwd)	1,698	0	1,770	4,411	56,102	57,956
Riviera	0	1,133	0	0	19,487	8,501
Cadillac Total	4,381	6,355	1,821	7,569	215,837	170,483
Cimarron	73	112	5	78	16,536	7,567
Allante	60	0	154	360	0	3,172
Brougham (rwd)	1,800	2,161	1,662	4,683	55,828	43,469
DeVille (fwd)	2,448	2,864	0	2,448	107,883	93,021
Eldorado	0	641	0	0	18,513	10,534
Seville	0	577	0	0	17,077	12,720
Chevrolet Total	9,815	18,220	11,947	34,500	814,696	856,161
Chevette	0	2,503	0	0	61,031	0
Camaro	2,315	2,510	2,325	6,948	115,669	77,164
Cavalier	0	5,447	0	0	257,236	204,851
Celebrity	0	0	0	0	162,723	192,484
Corsica/Beretta	4,794	0	8,036	20,657	0	199,496
Monte Carlo	0	2,522	0	0	74,024	42,027
Chevrolet	2,706	4,591	1,586	6,895	127,707	122,056
Corvette	0	647	0	0	16,306	18,083
Oldsmobile Total	10,493	11,821	4,864	16,722	681,237	408,488
Firenza	465	720	304	769	25,201	2,788
Calais	2,450	1,612	361	2,811	76,945	72,358
Cutlass Ciera	1,248	1,789	0	1,248	172,915	101,216
Cutlass Supreme	1,667	731	1,489	3,156	87,354	48,694
88 (fwd)	1,521	4,297	756	3,278	218,441	110,726
88 (rwd)	0	328	0	0	12,703	10,656
Olds 98	3,142	1,903	1,954	5,460	73,585	43,329
Toronado	0	441	0	0	14,093	10,127
Pontiac Total	1,150	9,788	1,300	3,586	508,527	417,623
Acadian*	0	453	0	0	9,864	0
Fiero	0	671	0	0	45,684	20,689
1000	0	855	0	0	12,709	0
Firebird	965	1,486	1,165	3,092	73,577	51,987
2000 Sunbird	0	2,800	0	0	89,182	60,295
Grand Am	0	3,296	0	0	139,744	149,576
6000	0	0	0	0	95,588	48,689
Bonneville	0	0	0	0	0	79,946
Safari/Parisienne	185	227	135	494	42,179	6,441
HONDA	5,360	5,534	6,409	18,605	132,309	214,635
Civic	1,504	0	2,238	5,959	0	71,089
Accord	3,856	5,534	4,171	12,646	132,309	143,546
NISSAN	2,600	967	2,579	7,730	22,750	85,127
NUMMI	3,750	3,731	4,037	11,804	131,801	128,832
Corolla	750	0	896	2,530	0	27,038
Nova	3,000	3,731	3,141	9,274	131,801	101,794
VOLKSWAGEN	0	2,072	0	0	52,082	43,129
Golf/GTI	0	2,072	0	0	52,082	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	92,461	137,592	79,015	241,536	5,133,216	4,565,769
Total Cars, Canada	6,937	13,092	3,729	12,053	677,175	482,127
U.S., Canada Cars	99,398	150,684	82,744	253,589	5,810,391	5,047,896
U.S., Canada Trks.	74,281	72,656	79,661	235,052	2,859,542	2,943,882
U.S., Canada Cars and Trucks	173,679	223,340	162,405	488,641	8,669,933	7,991,778

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

White House tries again to end CAFE

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Reagan administration has once again sent to Congress its proposal to eliminate corporate average fuel economy standards for passenger cars after the 1988 model year.

It was originally part of an omnibus trade package designed to make U.S. industry more competitive. Since it did not become part of the trade bills — and has received no attention at all so far — it is being resubmitted separately.

It has been reintroduced by Sen. Don Nickles, R-Okla., a member of the Senate Energy Committee. He is known to be a friend of General Motors and Ford Motor Co.

In the past, both companies have asked NHTSA to reduce CAFE standards. Chrysler Motors opposes lowering or eliminating the passenger-car CAFE standards.

Nickles described the current law as "archaic" and as a "well-meaning but misguided response by Congress to intervene in the marketplace in the hopes of reordering consumer tastes to use less energy." He said CAFE has hurt the domestic industry. And it has not helped consumers who wish to continue buying large cars.

CAFE, he added, has hurt the two largest domestic car firms. He said they have been failing to meet the standards, while foreign companies "have huge banks of CAFE credits that will enable them to flood the U.S. market with the large, higher-value-added cars for the foreseeable future."

While the administration bill would eliminate CAFE standards, it ensures that the government may complete its compliance cases. Automakers would continue to earn CAFE credits to offset their liability for any model year ending before the bill's effective date. In other words, there would be three full model years after CAFE repeal to allow full carry-back credits.

The administration bill would require information stickers about fuel economy on individual models, but they would not say how those models compare with other models. The section requiring dealers to retain — for consumer use — government pamphlets comparing gas mileage of various makes and models would be repealed. Instead, EPA would make data available to persons who request it.

The bill would require the EPA's testing and calculation procedures to "simulate conditions of actual use," but much would be left to the agency's discretion.

The bill contains a section that may be even more controversial than ending CAFE standards.

That is a "clarification" of who has standing to sue over CAFE issues. That is a complicated legal question currently before the full U.S. Court of Appeals for the District of Columbia. It stems from a case brought by the Center for Auto Safety against EPA over EPA's method of calculating a CAFE adjustment factor due to a change in its test procedure.

When the three-judge panel ruled for CAS and against EPA, GM and other auto companies, on EPA's side, moved to appeal to the full panel of 11 judges.

Other cases include the Competitive Enterprise Institute's suit to end future CAFE standards and the Center for Auto Safety's suit to increase future CAFE standards.

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$ALES GIANTS

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER
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The 10 highest volume franchises for each of America's 10 traditional domestic divisions sold some 700,000 new and used vehicles worth more than $7 billion last year and registered total dealership revenues in excess of $9 billion.

In fact, those 100 big deals that span the country — from big cities to small towns, from coast to coast — sold a total of 579,631 new cars and trucks last year.

To put that in perspective, those 100 sales giants — representing just one-quarter of one percent of the country's 36,298 Big 4 franchises — sold 5.14 percent of the 11,278,327 new cars and trucks sold by the Big 4 in the United States in 1986.

For decades, automakers have generally declined to provide their own listings of — or even answer questions about — which dealers move the most iron.

But Automotive News has compiled what is believed to be the first comprehensive list of the 10 highest-volume franchises for each of the Big 4's 10 traditional divisions — the 100 Automotive News Sales Giants.

It is the first division-by-division ranking of the largest individual domestic franchises based on unit sales — the result of 10 months of research plus hundreds of dealer interviews by Automotive News reporters.

The dealer principals at the highest-volume domestic franchises in 1986, based on total new deliveries, fleet and retail, were: **AMC,** Michael W. Lowe, Jasper Jeep Sales, Jasper, Ga.; **Buick,** Sonny King, Orange Buick, Orlando, Fla.; **Cadillac,** Edward J. Morse, Bayview Cadillac, Fort Lauderdale, Fla.; **Chevrolet,** Bill Wink, Bill Wink Chevrolet, Dearborn, Mich.; **Chrysler-Plymouth,** John Fitzgerald Jr., Lake Forest Chrysler-Plymouth, Gaithersburg, Md.; **Dodge,** Luke Potter, Luke Potter Dodge, Winter Park, Fla.; **Ford,** Jordan Kapson, Kapson Ford, Mishawaka, Ind.; **Lincoln-Mercury,** Bob Borst, Central Florida Motors, Orlando, Fla.; **Oldsmobile,** Mark Rosenstock Jr., Dale Oldsmobile, Bronx, N.Y.; and **Pontiac,** James Moran, J.M. Pontiac, Hollywood, Fla.

see SALES GIANTS, page 38

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

The old . . . and the new

McDonald: 'Nice guy' with quality as passion

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — On each of his many visits to General Motors plants, President F. James McDonald preached the sermon on quality.

Quality became the theme of McDonald's career, particularly during his six years as GM's chief operating officer. McDonald closes his 47 years with GM as he retires today.

Colleagues say the quest for quality was a long, hard and often disappointing struggle for McDonald. And it was complicated by his strong sense of compassion for GM workers. Having risen through GM's manufacturing ranks, McDonald was as comfortable among the union folks in plants as he was among executives on the 14th floor of the General Motors Building. He didn't hesitate to talk tough to workers about paying attention to details.

Those who worked with him invariably refer to McDonald as a "nice guy." Some colleagues say McDonald may have been too nice.

Some say he may not have been forceful enough with workers to complete the quality job. Others say McDonald's compassion for plant workers caused GM to postpone too long the closing of several assembly and component plants.

GM began to subscribe to the religion of quality during McDonald's tenure, as its products improved in the face of worldwide competition. Yet, McDonald readily admits that he is departing before the quality job is entirely done. He points to the Chevrolet Corsica

see McDONALD, page 58

Stempel: Product man in tune with customers

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will spend more on developing new products in the next five years than it ever has and, appropriately, the man who takes over as president this week is acclaimed as first-class in product knowledge.

Robert Stempel, in his first interview since being named president in May, says he considers himself a product guy, concerned with the nuts and bolts. Being a product guy, he says, means looking through the customer's eyes.

"He wants it to start in the morning, he wants it to run, he wants it to be comfortable," Stempel says. It has to be crash-worthy, comfortable, able to carry fishing and hunting gear or luggage for vacation.

"And he never wants to go back to the dealership."

That point was driven home in Stempel's first job, in a service garage.

"That's where you find out what a customer really wants in a car," he says. "It's amazing how quickly the bloom comes off the shape and how much the chrome doesn't have to shine any more. He just wants it to work."

That's not to say styling isn't important. Most customers buy because of a car's appearance, Stempel says. "It's got to be exciting, and it had better be a grabber."

Stempel is an engineer by education. After graduation from Worcester (Mass.) Polytechnic Institute in 1955, he joined Oldsmobile, where he worked in vari-

see STEMPEL, page 58

GM may hold line or cut some prices

By Michelis Krebs, Jesse Snyder and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors is expected to hold the line with most of its 1988-model prices. New groupings of options may result in lower prices to buyers of some models.

Prices are expected to be announced in mid-September, before the start of the 1988 model year on Oct. 1.

The pricing action likely will include lower figures for option packages on specific models. It is a scheme that has worked well for Chrysler Motors; last week Chrysler expanded its successful America packaging program from the subcompact Omni/Horizon to its compact-sized K-cars, Dodge Aries and Plymouth Reliant, with resulting price cuts of more than $1,300.

But GM also will offer stripped-down versions of some models.

Chevrolet, for example, will offer price-leader models on its four small cars and the compact S-10 pickup truck in 1988, said Thomas Staudt, general marketing manager.

Buick may adopt an America-like packaging that will cut Skyhawk prices and is considering similar packages for all its models if the Skyhawk experiment is successful. Such across-the-board packaging could trim as much as $300 from Buick prices, according to a GM source.

GM dealers have been told not to pre-sell some 1988 models, some of which are now being delivered to showrooms, until Sept. 15. Typically, dealers are allowed to pre-sell 1988 models that have not been changed much from the previous year.

That restriction leads dealers to believe that a major pricing action will be announced around Sept. 15,

see PRICES, page 60

First peek at Saturn HIDDEN IMAGE/RON LIEBERSON

First undisguised photos of General Motors' 1991 Saturn car show a subcompact with Corsica/Beretta styling cues and a Firebird-like sloping nose. GM considered a new aluminum 1.9-liter, long-stroke four-cylinder engine but is believed to now favor an existing powerplant. In addition to the sedans photographed on an Arizona test track last week, a three-door hatchback with sloping, rounded rear end, is planned.

Strikes raise questions about Korea, Mexico — Page 2

NADA criticizes Jeep-Eagle franchise — Page 3

Dodge Daytona Shelby joins cars for Europe — Page 62

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NADA slaps Jeep-Eagle dealer pact

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

The National Automobile Dealers Association has asked Chrysler Motors to eliminate language from its Jeep-Eagle franchise agreement that mandates binding arbitration in any dispute between the manufacturer and dealers.

NADA also was sharply critical of a provision that would allow a consumer satisfaction index (CSI) to be used to terminate dealers who perform below specified standards for a prolonged period.

And those changes in the Jeep-Eagle agreement could eventually find their way into the franchise agreements of Chrysler Motors dealers. Although a memo written by H.G. Savoy, Chrysler Motors dealer operations services manager, and provided by NADA indicated that Chrysler will not ask existing Chrysler-Plymouth and Dodge dealers to sign a similar new agreement, it will form the basis of new agreements.

Savoy said the new agreement will be used when re-signing Chrysler-Plymouth and Dodge dealers due to open points, stock transfers and dealership sales.

"Our long-term objective is to have all Chrysler Motors Corp. dealers on a uniform agreement with consistent terms and provisions," Savoy's memo said.

An NADA legal analysis of the Jeep-Eagle dealer agreement cites several unique provisions. However, the issue that most offends the dealer group is the requirement that all disputes be resolved by binding arbitration, including establishment of new dealer points, relocations and terminations.

NADA said the provision circumvents state franchise laws and the protection they give dealers.

The agreement also establishes a customer satisfaction index requirement. If the dealer does not maintain a CSI equal to or greater than the average CSI rating for the dealer's sales level group, as determined by the company, for four successive calendar quarters, this will constitute good cause for termination of the dealer.

"It appears that at any given time, one-half of all dealers will be below the average CSI rating for their sales level group," NADA said.

NADA Executive Vice President Frank E. McCarthy said NADA is also discussing with General Motors' Saturn Corp. its proposed franchise agreement.

"The draft agreement of the Sa-

see NADA, page 62

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

Ford negiotiator Surma, left, and Savoie, Ford director of employee involvement

UAW picking target

2nd GM offer rejected; Ford makes bid

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — As the expiration of United Auto Workers contracts at General Motors and Ford approaches, the negotiating paths at both companies and at the Big 3 in Canada are winding toward the selection of strike targets.

The contracts in both countries expire Sept. 14.

At a meeting this morning, the UAW GM and Ford councils and their bargaining committees are scheduled to discuss proposals the companies made last week. The bargaining committees, headed by Vice Presidents Donald Ephlin (GM) and Stephen Yokich (Ford), and the councils are made up of local union officers.

The UAW international executive board is also scheduled to meet today and will likely select a strike target — or dual targets — based on input from the councils.

After presenting GM's second proposal to the union last Friday, Alfred Warren, GM's top negotiator, said he had "no feel for Monday's decision. It seems to be the most difficult guess I've ever seen."

The Canadian Auto Workers

UAW Vice President Yokich

union will probably pick a strike target this week — most likely a different company than the one chosen in the United States.

If dual targets are selected in the United States, it is likely that one company will eventually be put on the back burner, as was Ford in 1984. Bargaining with one target company will step up and continue to conclusion.

If a contract is not reached by

see UAW, page 61

GM looks at Opel, Aussie car for U.S.

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is considering exporting to the United States an automobile from its Holden subsidiary in Australia.

The car is believed to be the Holden Commodore, which is scheduled for replacement in the final quarter of 1988.

GM also is once again seriously considering U.S. import for its West German Opel Omega and Senator — the cars that are understood to form the basis of the new Commodore.

The Opels likely would be sold through a franchise system separate from GM's present five divisions.

Robert Stempel, who takes over the job as GM president Tuesday, said importing Opels is under "active discussion."

Importation of Opels has been under consideration for years. There has been speculation that Cadillac would sell an Opel as its entry-level luxury offering, but Cadillac General Manager John Grettenberger said an Opel will not replace Cimarron at the bottom of the luxury division's lineup (Automotive News, Aug. 24).

Discussions also had been held with Porsche and Isuzu about selling Opels through their networks.

Stempel's background may give Opel a good chance of coming to the United States. He headed Adam Opel AG from 1980 to 1982, and counts Opel cars among his favorite automobiles. In addition, GM's overseas operations reported directly to Stempel in his job as executive vice president and continue to report to him as president.

Opel officials have been anxious to ship the cars to the United States. Opel is capacity-constrained, but Stempel said he is confident that if Opel gets the green light to export, it will add capacity.

Omega, currently at the top of Opel's line, was introduced last year and became the Car of the Year in Europe. The Senator, a lengthened, more luxurious derivative of the Omega, will be introduced at September's Frankfurt auto show.

"The Omega and Senator are both very fine road cars," Stempel said. "We keep looking at the currency situation — between the deutschemark and the U.S. dollar. I think they'd be very attractive at any price."

The Omega sells for $20,000 and up in West Germany; the Senator costs between $25,000 and $33,000.

Stempel said that while a decision to import the Opels has not yet been made, the cars probably will not be sold through existing GM divisions if they are imported.

He did not say if GM would establish a separate franchise network as Ford did with its Merkur division. He also would not say if selling imports through the Saturn network is being considered.

Stempel described the car from Australia as a very big and powerful car that "might be interesting in this country."

The current Holden Commodore VL is based on the design of the old Opel Commodore. It is powered by a Nissan straight-six-cylinder engine. Australian observers expect the new generation Commodore to be derived from the latest Opel Omega.

Subaru of America buys another distributor

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

Denver-based Subaru Inter-Mountain was sold to Subaru of America for a sum "in excess of $10 million" last week — the third independent distributor acquired by the Subaru importer in as many months.

The development came only three weeks after an unsuccessful legal challenge by Subaru Inter-Mountain, which tried to halt the shipment of 1,700 1987 models from Subaru of America. The buyout had been predicted in Subaru Inter-Mountain's lawsuit against Subaru of America.

It also came as Subaru of America reported a third quarter loss of nearly $50 million in comparison with a profit of more than $25 million in the same period last year.

In seeking an injunction to stop the shipment, Subaru Inter-Mountain said it already had a five-month supply of vehicles. It had more cars on hand than it sold to customers in its five-state region during the first six months of 1987.

The lawsuit, which was withdrawn after a Colorado judge refused to grant an injunction barring the delivery, accused Subaru of America of trying to force it and three other independents out of business by flooding them with product and then seeking a buyout at "distress" prices. Joining Subaru Inter-Mountain in the action were Subaru New England, Subaru South and Subaru Mid-America.

"The owners felt it was in the best interest to let it go if Subaru wanted it that bad," Archie Buddin, chief executive of Subaru Inter-Mountain, said. The two principal owners are Charles Thomas, a Houston car dealer, and B.J. "Red" McCombs, a Denver car dealer.

Subaru Inter-Mountain's filing for the injunction maintained, "If Subaru Inter-Mountain is required to accept and pay for the additional 1,700 1987 models in issue, Subaru Inter-Mountain and its dealers will have over a seven-month supply. Such over-supply cannot be sold without rendering Subaru Inter-Mountain insolvent and unable to function as a going concern."

The document said that the net worth of Subaru Inter-Mountain in 1987 decreased from $8.5 million to $5.5 million as a result of losses through June 1987.

Subaru Inter-Mountain said in its suit that it had annual sales of $100 million through its 55 dealers in Colorado, Kansas, Nebraska, Arizona, New Mexico and parts of Missouri. Last year, the independent distributor sold 11,457 cars.

The Subaru of America spokesman said the charges of flooding distributors with cars were unfounded and maintained that the cars were ordered by the distributors.

Subaru Inter-Mountain said Subaru based its shipments on a preliminary estimate given in January 1987 by its general manager, Joe Nunnery, that the distributor could sell 13,200 cars. The petition said, "Nunnery understood that the number he gave was not binding." Subaru of America maintained that it was.

Further, Subaru of America said that under a clause in the distribution agreement, Subaru Inter-Mountain was subject to an annual, automatic 15 percent increase in allocation each year unless the vehicles could not be delivered because of Japan's voluntary restraint agreement on auto exports.

While Subaru of America has been making more cars available to Subaru Inter-Mountain, the distributor said that sales actually dropped 15 percent this year. It said that the back-up of vehicles has caused the company to draw on $6 million of its $28 million letter of credit with Subaru last April to pay for cars it was receiving.

Subaru Inter-Mountain revealed that Subaru threatened to terminate the distributorship if the letter was not restored within 48 hours. Subaru Inter-Mountain said that following this incident, Subaru of America required the distributor to increase its outstanding guarantees to nearly $69 million.

Subaru Inter-Mountain maintained that if it accepted the 1,700 cars it would be forced to draw on its letter of credit again and risk termination.

The general decline in Subaru sales also has resulted in losses by Subaru of America. In the third quarter, the company reported losing $49.8 million, or $1.03 per share, on sales of $378.3 million.

Last year, for the same three-month period, the company had a net income of $25.4 million and sales of $517.6 million.

The company also reported a nine-month loss, ending July 31, of $15.1 million, or 31 cents per common share compared with a net income of $72.3 million for the same period in 1986. Sales for the 1987 period were $1.41 billion compared with $1.47 billion in 1986.

Subaru of America attributed the third quarter losses to various sales incentives, including up to $1,500 in cash rebates on certain models, and to higher product costs due to the decline of the dollar against the Japanese yen.

Subaru of America officials also were quoted as saying the company also expects a loss in its fourth quarter, meaning it will end the fiscal year Oct. 31 in the red, and that if sales do not improve Subaru of America might ask for a reduction in its import allocation to the United States.

Subaru of America did not attribute any of its loss to the acquisition of the three independent distributors — Subaru Inter-Mountain, Great Lakes Subaru (acquired two weeks ago) and Subaru Northwest (acquired in June). Each of the transactions was described as being in excess of $10 million.

Subaru of America now owns 8 of 13 regional distributors and controls about 50 percent of its nearly $2 billion annual sales.

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61st year—No. 5196

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TRUCK INDUSTRY

July truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	68,305						68,305	46,196
	YR	422,025						422,025	332,362
JEEP	MO	16,513						16,513	16,069
	YR	118,037						118,037	109,066
TOYOTA	MO	30,873						30,873	54,350
	YR	185,633						185,633	233,905
NISSAN	MO	14,862						14,862	20,300
	YR	130,355						130,355	130,325
MAZDA	MO	11,433						11,433	12,257
	YR	71,956						71,956	86,849
ISUZU	MO	7,756						7,756	7,181
	YR	53,362						53,362	48,916
MITSUBISHI	MO	4,478						4,478	2,303
	YR	29,966						29,966	18,501
SUZUKI*	MO	8,000						8,000	4,392
	YR	53,262						53,262	24,941
SUBARU	MO	55						55	462
	YR	1,052						1,052	1,974
RANGE ROVER	MO	307						307	0
	YR	1,029						1,029	0
FORD	MO	123,806			1,054	3,055	1,326	129,241	117,683
	YR	833,736			6,113	18,144	7,511	865,504	796,532
FREIGHTLINER	MO						2,115	2,115	1,012
	YR						13,017	13,017	9,885
CHEVROLET	MO	109,259		24	749	678	22	110,732	99,069
	YR	687,676		121	4,429	4,254	200	696,680	743,517
GMC	MO	27,605		284	834	1,321	552	30,596	31,484
	YR	180,042		3,433	4,599	13,859	5,064	206,997	208,420
KENWORTH	MO					8	1,437	1,445	874
	YR					52	8,040	8,092	5,703
MACK	MO				165	186	1,720	2,071	1,820
	YR				1,522	1,758	11,086	14,366	13,025
MERCEDES	MO				135	172		307	273
	YR				878	1,351		2,229	2,122
NAVISTAR	MO		28	45	1,024	2,749	2,130	5,976	6,307
	YR		69	221	5,844	18,322	16,559	41,015	40,153
PETERBILT	MO					14	1,264	1,278	846
	YR					41	6,471	6,512	5,388
VOLVO	MO					161	825	986	1,067
	YR					967	6,117	7,084	7,130
HINO	MO			32	27	51		110	0
	YR			273	274	536		1,083	0
NISSAN DIESEL	MO			79	21	76		176	0
	YR			308	173	477		958	0
ISUZU TRUCK	MO	596		17	39			652	342
	YR	3,131		91	173			3,395	2,861
MITSUBISHI FUSO	MO	88			31	109		228	0
	YR	371			105	266		742	0
SCANIA	MO						19	19	0
	YR						91	91	0
IVECO TRUCKS	MO	86	51	54	14			205	0
	YR	738	369	417	73			1,597	0
WESTERN STAR	MO						100	100	0
	YR						776	776	0
OTHER DOMESTICS	MO				13		119	132	72
	YR				81		662	743	698
GRAND TOTAL	MO	424,022	79	535	4,106	8,580	11,629	448,951	424,359
	YR	2,772,371	438	4,864	24,264	60,027	75,594	2,937,558	2,822,273
1986 YR to DATE		2,667,863	0	2,662	25,768	59,672	66,308		

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.
*Estimate

Navistar profits show huge rise for quarter

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Navistar International Corp. had a sixfold increase in net income for its fiscal third quarter ended July 31.

The company reported net income of $31 million on sales of $791.1 million in the third quarter, up from net income of $5 million on sales of $762.5 million in the 1986 period.

For the first nine months, the company's sales were $2.53 billion compared with $2.43 billion in 1986.

The company reported a net loss of $21 million for the first nine months of 1987, compared with net earnings of $52 million in the first nine months of 1986.

A one-time extraordinary charge of $113 million for redemption before maturity of four high-coupon debt issues contributed to the loss.

Excluding that loss, Navistar's income for the first three quarters was $92 million, an improvement of 77 percent over last year's first nine months.

James C. Cotting, Navistar chairman and chief executive officer, credited the third-quarter results to lower interest costs, higher shipments of heavy trucks and diesel engines and improved operating margins in the company's truck operations.

Navistar cut its third-quarter interest expense by $23 million from a year ago after getting the full quarterly impact of high-coupon debt redemption.

"Trends in production are up because of (more) intercity trade freight hauling as evidenced by higher volume of goods," Cotting said.

At a press conference here, he also cited a higher gross profit margin and cost reductions as contributors to the company's earnings.

"We kept tight control on marketing and administrative expenses," Cotting said.

Asked about plans for acquisitions, Cotting said, "We want to broaden our base of business over a 5- to 10-year period."

He mentioned that "something with truck and engine operations" was a likely possibility because that is the company's business, adding, "We are interested in an acquisition if we can earn a return on it."

He also said "strategic alliances" are important. Cotting mentioned product cooperation with Dana Corp. and the import agreement with Nissan to sell Low Forward Entry (LFE) products. When asked about joint ventures, he answered, "Joint investments could make sense here and outside the United States."

Cotting predicted that North American demand for heavy trucks will increase 10 percent to about 136,000 units for the 12 months ending Oct. 31 (Navistar's fiscal year). He estimated that medium-truck sales will rise to 179,000 from last year's 177,000.

Shipments of International medium and heavy trucks and diesel engines during the third quarter were up 4.0 percent over the same period in 1986.

Heavy-truck shipments increased 6.0 percent over the third quarter last year, while medium-truck shipments declined slightly.

Diesel engine shipments to original-equipment-manufacturer customers were up 11 percent over the comparable period in 1986.

Navistar's order backlog of 12,043 heavy trucks at the end of the quarter was 60 percent higher than a year ago and 29 percent above this year's second quarter.

Backlog orders mainly were for three models introduced in May: The International 8300 conventional tractor, 9700 premium cabover tractor and 9300 Series of premium conventional tractors.

Carrier income dips

Expenses outpace increase in revenues

ALEXANDRIA, Va. — Motor carrier revenue in the first quarter of 1987 was off 3.2 percent from the 1986 period, according to a survey by the Regular Common Carrier Conference.

Generally speaking, revenues went up 2.5 percent; but expenses went up nearly twice as much, increasing 4.9 percent, the survey found.

The Regular Common Carrier Conference surveyed 108 common carriers of general freight for its findings, with 14 percent fewer responding this year than in the first quarter of 1986.

Russell B. Capelle Jr., director of the survey, said the lower number of reporting carriers was largely a reflection of their inability to meet the deadline for responding to the survey rather than their having gone out of business.

The survey found that total tonnage shipped by reporting carriers was off 7.7 percent from the first quarter of last year. Operating income, as a percent of revenue, dropped to 2.1 percent from 3.9 percent in the first quarter of 1986. After-tax net income fell to 0.7 percent from 2.0 percent in 1986.

For the largest carriers in the sample — those with more than $100 million in 1986 annual revenues — expenses increased twice as fast as revenues, and operating income per ton was cut almost in half in the first quarter of this year compared with a year ago.

The overall ratio of expenses to revenues for the largest carriers increased to 97.4 from 94.9 last year.

During the first quarter of 1987, surveyed carriers had expenses of $2.88 billion, down from $2.92 billion in 1986. However, the decline in expenses reflected the fact that only 108 carriers responded to the survey this year compared to 126 in 1986.

Overall carrier revenues of $2.94 billion during the period were off from $3.04 billion in the same period of 1986.

The conference attributed the poor first-quarter results to depressed revenues resulting from continued rate discounting generated by extreme competition in a shrinking market and to sharply higher expenses, particularly for fuel and labor.

New Skoda for U.S.?

By Knut Moberg

Interest in the new Skoda sedan to be introduced at the Brno trade fair in Czechoslovakia is increasing, especially in markets outside the Iron Curtain.

Exports are planned for Canada, and discussions on shipments to the U.S. have started. Sources in Czechoslovakia say they are expected to be handled by import companies currently established in the U.S.

Shipments to North America will likely start when the Automobilove Zavody Narodni Podnik factory in Czechoslovakia reaches production capacity.

Exports will have a high priority, because the Skoda factory needs all the hard currency it can get to pay foreign suppliers and consultants who helped design the new car.

Export plans for North America are at a point where inquiries have been sent to shippers for possible delivery of small numbers of cars starting next year.

Officials of the Skoda factory in Mlada Boleslav and the Motokov export company have been studying the progress of the Yugoslavian-built Yugo in the U.S.

Since Skoda is based on a new front-wheel-drive design, it is unlikely to be price-competitive with the less-advanced, rear-wheel-drive, $3,990 Yugo.

Jimdra Nevrla, Motokov export manager, is unwilling to give more information about the new car, which is in the Volkswagen Golf class. The wraps will be kept on until the Brno fair, which opens Sept. 12, during the Frankfurt auto show in West Germany. The car will not be shown at Frankfurt.

The Skoda isn't ready for production, which starts later this year. Then it will take time for production to reach sufficient volume for exports to begin, although importers and dealers in Western Europe have been told limited deliveries will start in 1988.

Italian firm Carrozzeria Bertone S.p.A. designed the exterior and interior of the new sedan. Porsche System, of West Germany, handled engineering and testing.

Output of the old rear-wheel-drive Skoda will continue, but at a reduced rate as the new model moves into production.

The new model doesn't have a name yet. An auto magazine in Czechoslovakia has asked readers to suggest one, although the car may get different names in various export markets. ■

Currency crisis keeps Nigerian M-B truck assembler waiting and hoping

By Peter Ezeh

ENUGU, Nigeria — Nigeria's local Mercedes-Benz truck manufacturer had to suspend production temporarily here and reduce working hours by more than 50 percent early this month.

The events raised doubts about an early improvement in the slump the company has been suffering during the past four years.

Officials of Anambra Motor Manufacturing Co. (Anammco), said none of the 700 workers, out of an initial 1,200, would be dismissed outright, following two previous employment reductions in three years. No date was given for a return to full production.

Anammco's West German partner, Daimler-Benz AG, holds 40 percent of the company, worth 60 million naira ($15 million). Nigeria's federal government is the second-biggest shareholder with 35 percent. The remainder is held by state governments and private investors.

Anammco occupies an imposing 984,000-square-foot site in this industrial suburb, the capital of Nigeria's southeastern state of Anambra. It is one of the largest auto factories in Africa, south of the Sahara. It was officially opened July 3, 1980, by former president Shehu Shagari.

Production began in 1981 with Mercedes-Benz L-911 trucks. They are popular among transport operators who need dependable trucks, and companies that operate passenger-carrying vehicles known locally as "mammy wagons."

Business boomed at the start. In less than two years, Anammco produced 10,000 Mercedes trucks. In October 1983 it installed an annual production capacity of 7,500 trucks on one shift, and opened a spare parts depot.

Initial business successes encouraged company managers to plan production of the prestigious Mercedes-Benz sedan. But car production never got off the ground, although small volumes of four-wheel-drive vehicles and 24- and 32-seat buses were built, in addition to trucks.

"Out of five commercial vehicles above five-tons payload sold in Nigeria today," notes company public relations officer Eugene Madu, "more than two are Mercedes-Benz units originating from Anammco."

Like other auto factories here, Anammco is basically an assembly operation. Components are imported and put together for the local market.

Since introduction of the quasi-free foreign exchange market with less official control, the value of the local naira currency has fallen drastically, seriously depleting the capital of most manufacturers — including major ones such as Anammco.

The situation was worse during the previous military administration of General Buhari (1983-'84), when the government introduced a series of tough protectionist measures to try to discourage imports. Anammco dismissed more than 500 of its 1,200 workers at that time.

Madu says there is no plan for outright dismissal of workers at the present time. He says the latest move was taken to enable the company to wait for the foreign exchange crisis to improve. How soon that happens is anybody's guess. ■

OVERSEAS REGISTRATIONS

UNITED KINGDOM
Cars

	7 mos 1987	7 mos 1986
BMW	19,915	19,259
Daihatsu	2,957	2,858
Fiat Auto	37,694	35,212
Fiat	35,237	32,528
Lancia	1,657	1,524
Alfa Romeo	800	1,160
Ford	306,319	272,972
FSO	2,444	2,721
GM-Vauxhall	145,695	161,512
Honda	10,939	10,152
Hyundai	3,912	3,420
Isuzu	1,164	86
Jaguar	6,063	4,025
Lada	11,972	9,899
Lotus	234	236
Mazda	8,618	9,586
Mercedes-Benz	11,567	10,259
Mitsubishi	6,032	6,335
Nissan	52,958	53,192
Panther	74	22
Peugeot SA	70,227	62,488
Citroen	21,934	17,724
Peugeot Talbot	48,293	44,764
Reliant	103	178
Renault	42,871	37,135
Rolls-Royce	484	447
Rover Group	165,509	167,431
Austin Rover	162,981	165,111
Range Rover	2,528	2,320
Saab	5,504	5,396
Skoda	6,999	6,487
Subaru	2,281	1,682
Suzuki	2,433	2,415
Toyota	18,756	18,241
VW-Audi	63,795	64,759
Volvo	59,722	61,823
Zastava	4,073	2,936
Others	2,014	2,608
Total	1,052,386	1,012,465

SWEDEN
Cars

	6 mos 1987	6 mos 1986
BMW	2,982	2,528
Bertone	2	12
Chrysler	5	0
Daihatsu	843	4,181
Fiat Auto	4,661	2,170
Fiat	3,046	2,170
Lancia	952	1,375
Alfa Romeo	663	636
Ford	18,162	14,797
GM-Opel	16,776	12,745
Honda	2,021	2,204
Isuzu	65	0
Jaguar	58	22
Lada	1,258	864
Mazda	654	694
Mercedes-Benz	4,286	4,053
Mitsubishi	1,719	1,097
Nissan	8,347	7,419
Peugeot SA	5,472	3,417
Citroen	2,108	1,475
Peugeot Talbot	3,364	1,942
Porsche	266	301
Renault	2,140	1,786
Rolls-Royce	8	2
Rover Group	6	0
Saab	15,098	14,618
Skoda	48	84
Subaru	878	730
Suzuki	922	480
Toyota	11,561	7,272
VW Group	19,990	16,429
Volkswagen	12,708	10,619
Audi	7,282	5,810
Volvo	40,477	33,566
Others	99	45
Total	163,544	134,083

NORWAY
Cars

	5 mos 1987	5 mos 1986
BMW	906	2,475
Daihatsu	311	1,000
Dodge	23	7
Fiat Auto	2,423	2,862
Fiat	2,172	2,585
Lancia	204	179
Alfa Romeo	47	98
Ford	7,820	12,515
GM-Opel	5,653	10,680
Honda	1,327	2,679
Jaguar	21	21
Jeep	5	3
Lada	845	1,200
Maserati	8	3
Mazda	4,062	7,517
Mercedes-Benz	1,905	1,163
Mitsubishi	2,347	3,287
Nissan	3,164	5,487
Peugeot SA	3,138	4,300
Citroen	1,351	1,462
Peugeot Talbot	1,787	2,838
Porsche	9	15
Renault	393	524
Rover Group	3	2
Saab	816	1,553
Skoda	153	155
Subaru	1,283	2,643
Suzuki	381	387
Toyota	6,791	9,680
VW-Audi	5,031	8,553
Volvo	4,215	7,035
Total	52,204	85,582

AUSTRIA
Cars

	5 mos 1987	5 mos 1986
BMW	2,582	3,061
Daihatsu	762	536
Fiat Auto	7,273	8,705
Fiat Lancia	6,335	7,635
Alfa Romeo	938	1,070
Ford	10,474	11,063
GM-Opel	13,202	14,562
Honda	2,171	2,434
Jaguar	65	47
Lada	666	607
Mazda	9,320	9,505
Mercedes-Benz	4,038	4,202
Mitsubishi	3,159	2,401
Nissan	4,866	4,196
Peugeot SA	7,262	7,190
Citroen	3,270	2,741
Peugeot Talbot	3,992	4,449
Porsche	146	225
Renault	5,286	5,486
Rover Group	85	104
Saab	124	177
Skoda	362	409
Subaru	1,670	1,780
Suzuki	881	718
Toyota	7,037	6,886
VW Group	19,716	22,747
Volkswagen	15,904	18,313
Audi	3,214	3,779
Seat	598	655
Volvo	1,215	1,547
Others	31	36
Total	103,742	109,875

ITALY (SALES)
Cars

	5 mos 1987	5 mos 1986
ARO	1,214	1,026
BMW	8,885	9,556
Chrysler	7	9
Daihatsu	32	51
DeTomaso	7,799	7,543
Maserati	1,663	1,494
Innocenti	6,136	6,049
Fiat Auto	563,036	526,589
Fiat	414,003	389,606
Lancia/ Autobianchi	92,730	78,710
Alfa Romeo	55,861	57,961
Ferrari	442	312
Ford	37,812	33,309
GM-Opel	29,787	30,068
Honda	25	108
Hyundai	950	519
Isuzu	41	0
Jaguar	295	153
Jeep	0	357
Lada	499	328
Mazda	4	19
Mercedes-Benz	11,704	8,924
Mitsubishi	153	194
Nissan	12	2
Peugeot SA	69,044	62,456
Citroen	32,338	32,089
Peugeot Talbot	36,706	30,367
Porsche	399	357
Renault	75,128	71,578
Rolls-Royce	13	15
Rover Group	11,863	12,341
Saab	1,893	1,715
Skoda	774	707
Subaru	152	56
Suzuki	4,539	1,309
Toyota	0	251
UAZ	433	330
UMM	0	29
VW Group	109,715	89,929
Volkswagen	70,360	62,838
Audi	9,771	6,605
Seat	29,584	20,486
Volvo	7,913	8,278
Others	250	1,000
Total	945,042	896,106

BRAZIL (SALES)
Cars, light commercial vehicles

	7 mos 1987	7 mos 1986
Agrale	730	876
Engesa	391	189
Fiat	38,476	61,455
Ford	75,049	110,393
General Motors	79,970	126,641
Gurgel	1,086	199
Mercedes-Benz	18,794	20,432
Saab-Scania	2,298	2,863
Santa Matilde	17	89
Toyota	1,958	2,052
Volkswagen	109,484	206,216
Volvo	989	1,596
Total	329,242	532,909

PRODUCTION

FRANCE
Cars

	5 mos 1987	5 mos 1986
Peugeot SA	704,660	635,602
Citroen	287,393	232,665
Peugeot Talbot	417,267	402,937
Renault	619,754	522,711
Total	1,324,414	1,158,313

Vans, trucks, buses

CBM	0	25
Heuliez	98	64
Iveco-Unic	29	45
Peugeot SA	72,382	70,859
Citroen	30,611	33,958
Peugeot Talbot	41,771	36,901
Renault/TVI	118,649	117,006
Sovam	34	32
Total	191,192	188,031
Total vehicles	1,515,606	1,346,344

$ALES GIANTS

continued from page 1

Among the largest of the large — the 10 highest-volume franchises regardless of make — there were four Chevrolet dealerships, three Ford dealerships, two Pontiac dealerships and a lone Oldsmobile dealership.

However, that sole Oldsmobile franchise, Dale Oldsmobile, Bronx, N.Y., was the highest-volume domestic franchise in the United States last year; it was the biggest of the big deals.

Those 10 biggest deals also ranked high on the list of big dealers with big fleet sales. They are scattered across the United States from New York to Florida, through the Midwest into Texas and on to California.

Although the 100 individual franchises ranked in the Automotive News Sales Giants have common denominators, there are differences.

Nine dealers have two franchises that made the Sales Giants 100. Two of those nine dealers had their two ranking franchises in the same dealership: Arnold Palmer Motors, Latrobe, Pa., with the sixth-largest Oldsmobile franchise and the fourth-largest Pontiac franchise; and Polkowitz Motors, Perth Amboy, N.J., with the ninth-largest Buick franchise and the third-largest Cadillac franchise.

No dealer had two No. 1 dealerships. However, one dealer claimed a first place and a second.

John Fitzgerald Jr. had the largest Chrysler-Plymouth franchise, Lake Forest Chrysler-Plymouth, Gaithersburg, Md., and the second-largest Dodge franchise, Colonial Dodge, Kensington, Md.

And Edward Morse had the largest Cadillac franchise, Bayview Cadillac, Fort Lauderdale, Fla., and is the financial backer of the second-largest Chevrolet franchise, Ed Morse Chevrolet, Lauderhill, Fla., operated by his son, Edward J. Morse Jr.

Sixty of the Automotive News Sales Giants were single-line dealerships; the other 40 were dualed.

Seventy-eight of the top franchises were in the eastern half of the United States.

Ninty-nine of the franchises were in dealerships owned or operated by men; Maria Smith, owner of Town & Country AMC-Jeep-Renault, Seattle, was the only woman among the Automotive News Sales Giants. Her dealership was ranked eighth in sales for AMC-Jeep-Renault.

DOLLAR $ALES

Rank	Dealership	Location	1986 Sales (in millions)
1	Dale Oldsmobile	Bronx, N.Y.	$379.07
2	Bill Wink Chevrolet	Dearborn, Mich.	223.97
3	Stephen World of Wheels	Bristol, Conn.	218.28
4	Jordan Ford	Mishawaka, Ind.	213.00
5	Jim Johnson Chevrolet	Richardson, Tex.	204.00
6	Prospect Motors	Jackson, Calif.	200.45
7	Santa Monica Ford	Santa Monica, Calif.	198.93
8	Arnold Palmer Motors	Latrobe, Penn.	195.00*
9	Potamkin Cadillac	New York City, N.Y.	178.26
10	Jim Lupient Oldsmobile	Golden Valley, Minn.	165.59

*Estimated

Many of the dealers in the top 100 were heavy fleet sellers, but 14 of the franchises reported no fleet or daily-rental sales at all.

One dealership, Sewell Village Cadillac-Sterling, Dallas, reported that it has been in business for 76 years. It is the No. 6 volume Cadillac store.

In exactly the opposite position, 1986 was the first full year that Hanley Dawson III operated Patrick Pontiac-GMC, Libertyville, Ill., the sixth-largest Pontiac franchise.

Three other dealers held one Automotive News Sales Giants franchise for just two years, but in each case the dealer had another big franchise on the list.

The various marketing divisions, despite their protestations about the importance of various customer satisfaction indices and the de-emphasis of sheer volume, still internally rank dealers by the number of cars and trucks they sell.

Size, volume and profitability are important even in these days of megadealers and "portfolios" of franchises. But profitability may be the ultimate list to head.

"Some guys get a big kick out of saying that they are the biggest dealer, but the bright ones say, 'I made the most money no matter what the volume,' " said Raphael Cohen, a one-time Chrysler dealer and long-time dealer advocate.

American Motors

American Motors' 10 largest-volume dealers say success is a four-letter word spelled J-E-E-P.

Strong demand for the popular four-wheel-drive Jeeps, along with locations near high-growth and large metropolitan areas helped boost sales and service performances of AMC's top 10 in 1986.

While many of the leading General Motors, Ford and Chrysler dealers are dualed with outside makes, all of AMC's top performers handle only AMC-Jeep-Renault products. Michael W. Lowe, owner of Jasper (Ga.) Jeep Sales, the top-volume AMC dealership in 1986, said exclusivity has given him a marketing advantage among 4wd enthusiasts.

"We're considered Jeep specialists in this area, and we have the knowledge of the four-wheel-drive product," Lowe said.

AMC's top 10 dealers are retail-oriented: Only half reported any fleet or lease sales in 1986, and among those who did report fleet/lease business, those sales generally represented a small percentage of their total volume.

When asked what factors made their franchises successful in 1986, a majority of the dealers listed their emphasis on service and customer satisfaction. Gary Gray, owner of Orange Coast AMC-Jeep, Costa Mesa, Calif., said he hired a customer satisfaction coordinator for his store last year.

Promotional events during the year also helped AMC's top 10 to get in touch with current and potential customers.

Lowe said his Jasper Jeep dealership sponsors a 4wd Mud Run and Jeepers Jamboree race each year to promote itself among 4wd enthusiasts. Doug Steed, general manager of Buerge AMC-Jeep-Renault, West Los Angeles, said the store hosted a family day, complete with "live" cartoon characters and roasted hot dogs.

Service and parts dollar volume as a percentage of total sales ranged from 4.48 percent at Jasper Jeep Sales to 16.45 percent at Kings Plaza AMC-Jeep-Renault, Brooklyn, N.Y. All but one of the top 10 said the Jeep Cherokee was the best-selling nameplate in 1986.

Manhattan AMC-Jeep-Renault was the only company-owned store in the AMC top 10.

— Laura Clark

Buick

Fleet and lease sales buoyed the business of the 10 largest-volume Buick dealers in the United States in 1986.

Nine of the 10 said that less than 50 percent of their total sales were to retail customers last year. The volume of fleet cars as a percentage of total sales ranged from 25.50 percent at Buick Mart, Cerritos, Calif., to 89 percent at Polkowitz Motors, Perth Amboy, N.J.

Sonny King, owner of Orange Buick, Orlando, Fla., the largest-volume Buick dealer in 1986, said the fleet business has become highly competitive, even among Buick outlets, with dealers sometimes taking as little as $20 in profit from a car.

Rental-car companies, large corporations and leasing companies were named as some of the biggest customers for the large fleet-oriented Buick stores. Many of the biggest fleet dealers are located near major airports, including Miami, Newark and Chicago.

Like many of its GM sister divisions, Buick's 10 top-volume dealers for 1986 were most frequently dualed with other franchises. Six of the Top 10 Buick dealers housed a second brand in the same facility; however, only two of the six were GM makes.

When asked what factors were most important to their success, nearly every top-volume Buick dealer emphasized service.

"The most successful thing is treating our customers well," said Maury Wilkins, owner of Wilkins Buick-Isuzu, Glen Burnie, Md., the fourth-largest Buick dealer in 1986.

"It's very different selling a car today, you've got to stress the service," Wilkins said.

Some dealers said the high-income and older customers who are attracted to the Buick nameplate demand high-quality service from everyone from the salesman to the mechanic.

"It's important that we deal on a high-level basis," said Lew Webb, president of Buick Mart, Cerritos, Calif., the Buick dealer with the highest retail sales.

Bob Stillman, Stillman & Hoag, Englewood, N.J., said service is also the key to maintaining a good fleet business.

"To compete only on price doesn't serve the customer's best interest; some dealers do compete only on price and don't stay in (the fleet business) very long," Stillman said.

Other factors for success cited by Buick's Top 10: an in-house advertising agency at Orange Buick; once-a-month sales events at Stillman & Hoag; a $683,000 ad budget at William Lehman Buick, Miami; longer service hours at Wilkins Buick-Isuzu; square dances and holiday parties at Bob Brest Buick-Nissan, Lynn, Mass.; special equipment on display cars at Bauer Buick-Isuzu-Sterling, Harvey, Ill.; and direct-mail programs at Loren Buick, Glenview, Ill.

— Laura Clark

Cadillac

National Cadillac sales recovered last year, and along with that recovery came prosperity for the 10 top-performing Cadillac dealers.

Most of the largest Cadillac dealers reported that the DeVille was the best-selling model. One dealer, William E. Hartigan, Heritage Cadillac, Lombard, Ill., capitalized on Brougham, making it his best seller.

Only four of the 10 largest dealerships were exclusively Cadillac outlets. Four of the dualed dealerships also had Sterling franchises, not surprising because Norman Braman, chairman of Sterling importer Austin Rover Cars of North America, owns Braman Cadillac, Miami. Braman's dealership

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Fleet business is B-I-G business

58% of sales by Top 100 are to lease and rental customers

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Success is fleeting, so to speak.

Last year, there was a direct correlation between being one of the biggest fleet dealers and being among the top-volume franchises.

In fact, the list of the top five fleet dealers is identical to the list of the top five total-sales dealers. Eight of the Top 10 fleet dealers also were in the total-sales Top 10.

The 123,363 fleet deliveries by the 10 highest-volume fleet dealers accounted for 36.53 percent of the 337,715 fleet units sold by the Top 100 franchises.

Total fleet sales by the 100 accounted for an astounding 58.28 percent of all sales by those franchises.

Dealers with the big-fleet franchises reported that their sales went to a variety of customers including daily rental companies, fleet lease companies and their own in-house lease and rental companies.

However, there are some big franchises and megadealer operations that do well without fleet sales and, of course, dispute fleet sales as a true measure of franchise volume.

Robert Potamkin, of the Potamkin megadealer organization, for example, said that retail sales are the real measure of a successful dealer.

Nonetheless, there are many dealers who unabashedly sell cars they never see. They simply shuffle paperwork and happily pocket the profits of $20 to $50 per car.

The second-largest fleet dealer, Bill Wink, Bill Wink Chevrolet, Dearborn, Mich., said he has a lot of fleet accounts and many long-standing customers whom he strokes.

Other big fleet dealers credit geography for fleet sales success.

"I'm in the perfect location for fleet business," said Stanley Z. Penn, owner of Penn Pontiac, Baltimore. "I sell to fleet customers from other cities all over the seaboard."

The geographical distribution of the Top 10 fleet franchises was almost entirely in the Eastern half of the United States.

There was one in Connecticut, two in the New York City area, one in Baltimore and two in Florida. In the Midwest there was one in the Chicago area, one in the Detroit area and one in Indiana.

The California franchise in the fleet sales Top 10 was the only one on that list west of the Mississippi River.

FLEET LEADERS

Rank	Franchise	Location	1986 Fleet Sales (units)
1	Dale Oldsmobile	Bronx, N.Y.	24,715
2	Bill Wink Chevrolet	Dearborn, Mich.	16,925
3	Jordan Ford	Mishawaka, Ind.	14,551
4	Santa Monica Ford	Santa Monica, Calif.	11,205
5	Ed Morse Chevrolet	Lauderhill, Fla.	10,924
6	Stephen World of Wheels	Bristol, Conn.	9,970
7	Penn Pontiac	Baltimore, Md.	9,900
8	Z. Frank Chevrolet	Chicago, Ill.	9,000*
9	J.M. Pontiac	Hollywood, Fla.	8,598
10	Rice & Holman Ford	Mt. Laurel-Pennsauken, N.J.	7,575

*Estimated

TOP SELLING DOMESTIC FRANCHISES

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employes	Other makes, same location	Best selling model	Total 1986 sales all franchises, depts. at location	Parts & service volume	Retail used units	Retail new units	1986 fleet sales	Total 1986 new units
AMC-JEEP-RENAULT											
Jasper Jeep Sales Inc. Jasper, Ga.	Michael W. Lowe	11	41		Cherokee	$ 35.07	$ 1.57	802	1,818	1,018	2,836
Broadway AMC-Jeep-Renault Denver, Colo.	Gerald Morris	10	120		Cherokee	58.99	2.98	1,010	1,424	1,394	2,818
Atlantic AMC-Jeep-Renault West Islip, N.Y.	John Staluppi	7	80		Cherokee	21.00	1.10	200	1,850	0	1,850
Royal AMC-Jeep Inc. Orlando, Fla.	Ray Tatum	12	80		Alliance	28.25	3.43	832	1,510	0	1,510
Manhattan AMC-Jeep-Renault New York, N.Y.	John Monninger	27	50		Cherokee	24.30*	2.10*	145	1,425	0	1,425
Back Bay AMC-Jeep-Renault Boston, Mass.	Bob Mariano	12	75		Cherokee	23.70	2.30	300	1,172	210	1,382
Buerge AMC-Jeep-Renault West Los Angeles, Calif.	John R. Buerge	4	50		Cherokee	25.18	1.89	300	1,050	192	1,242
Town & Country AMC-Jeep-Renault, Seattle, Wash.	Maria Smith	3	65		Cherokee	24.44	2.33	591	1,033	118	1,151
Orange Coast AMC-Jeep Costa Mesa, Calif.	Gary Gray	6	70		Cherokee	21.00	2.46	500	1,100	0	1,100
Kings Plaza AMC-Jeep-Renault Brooklyn, N.Y.	Bob Koss	4	45		Cherokee	15.78	2.57	120	950	0	950
BUICK											
Orange Buick Orlando, Fla.	Sonny King	11	125		Century	95.00	5.00	756	1,592	3,918	5,510
Stillman & Hoag Inc. Englewood, N.J.	Bob Stillman	15	120	Isuzu	Century	82.00	6.00	878	1,113	4,149	5,262
Willian Lehman Buick Miami, Fla.	William Lehman Jr.	17	140	Saab	Century	85.94	4.58	950	1,332	3,614	4,946
Wilkins Buick-Isuzu Glen Burnie, Md.	Maury Wilkins	6	70	Isuzu	Century	60.00	3.00	350	1,000	3,000	4,000
Loren Buick Inc. Glenview, Ill.	Irving N. Segal	30	85		LeSabre	48.79	2.18	500	1,800	2,100	3,900
Bauer Buick-Isuzu-Sterling Harvey, Ill.	Gordon Walker	5	100	Isuzu, Sterling	Century	64.00	6.00	739	1,600	2,092	3,692
Jim Lupient Buick Minneapolis, Minn.	Perry Bedenbender	2	62		Century	36.56	2.14	539	870	2,454	3,324
Buick Mart Cerritos, Calif.	Lew Webb	4	150		Century	67.00	2.20	900	2,460	840	3,300
Polkowitz Motors Perth Amboy, N.J.	Maurice Polkowitz	36	55	Cadillac	Century	119.90	3.24	46	355	2,880	3,235
Bob Brest Buick-Nissan Lynn, Mass.	Bob Brest	27	125	Nissan	Regal	70.00	6.60	2,000	1,300	1,765	3,065
CADILLAC											
Bayview Cadillac Fort Lauderdale, Fla.	Edward J. Morse	35	181		Deville	162.22	8.77	1,363	2,184	3,954	6,138
Potamkin Cadillac Corp. New York City, N.Y.	Victor Potamkin	15	233	Mitsubishi, Sterling	Deville	178.26	14.32	1,499	4,403	610	5,013
Polkowitz Motors Perth Amboy, N.J.	Maurice Polkowitz	36	55	Buick	Deville	119.90	3.24	46	256	3,729	3,985
Roger Penske Cadillac Downey, Calif.	William R. Piercey	8	202		Deville	122.00	13.75	848	2,589	606	3,195
Martin Cadillac-Sterling Inc. West Los Angeles, Calif.	D. R. Martin	26	198	Sterling	Deville	105.00	15.00	380	2,481	620	3,101
Sewell Village Cadillac-Sterling Dallas, Texas	Carl Sewell	76	250	Sterling	Deville	96.00	19.00	928	2,230	93	2,323
Coral Cadillac Pompano Beach, Fla.	Norman E. Wiese	12	170		Deville	75.63	10.04	768	2,124	0	2,124
Braman Cadillac Miami, Fla.	Norman Braman	N.A.	180*	BMW	N.A.	85.00*	6.45*	410*	1,710*	205*	1,915*
Rodger Meier Cadillac Dallas, Texas	Todd Meier	18	125	Sterling	Deville	66.80	11.54	710	1,465	403	1,868
Heritage Cadillac Lombard, Ill.	William Hartigan	20	98		Brougham	54.00	3.30*	1,000	1,600	0	1,600
CHEVROLET											
Bill Wink Chevrolet Dearborn, Mich.	Bill Wink	31	92	GMC Trucks	Cavalier	223.97	4.99	846	1,483	16,925	18,408
Ed Morse Chevrolet Lauderhill, Fla.	Edward J. Morse Jr.	18	195		Celebrity	150.07	9.79	1,135	2,542	10,924	13,466
Z. Frank Chevrolet Chicago, Ill.	Jack Sayer	51	164		Celebrity	148.58	6.96	1,089	3,677*	9,000	12,677
Jim Johnson Chevrolet Inc. Richardson, Texas	Jim Johnson	4	290		Camaro	204.00	10.00	6,765	9,216	2,119	11,335

*Estimate

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TOP SELLING DOMESTIC FRANCHISES

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employes	Other makes, same location	Best selling model	Total 1986 sales all franchises, depts. at location	Parts & service volume	Retail used units	Retail new units	1986 fleet sales	Total 1986 new units
Celozzi-Ettleson Chevrolet Elmhurst, Ill.	Nicholas A. Celozzi	9	225		Cavalier	$115.60	$ 9.94	2,526	5,763	3,943	9,706
Friendly Chevrolet Co. Inc. Dallas, Texas	Mark Eddins	27	246		Camaro	147.55	19.31	1,171	5,819	3,713	9,532
Legum Chevrolet-Nissan Baltimore, Md.	Jeffrey A. Legum	65	195	Nissan	Cavalier	105.00	13.80	1,231	4,177	2,906	7,083
Lou Grubb Chevrolet Phoenix, Ariz.	Lou Grubb	15	328	Sterling	Celebrity	105.00	17.95	2,577	4,820	1,810	6,630
Fox Chevrolet Inc. Baltimore, Md.	Benno Hurwitz	54	205		Cavalier	93.00	8.00	1,449	6,623	0	6,623
Frank Parra Chevrolet Inc. Irving, Texas	Frank Parra	16	220	Mitsubishi, Jeep	Camaro	110.00	4.88	1,450	4,354	1,807	6,161
CHRYSLER-PLYMOUTH											
Lake Forest C-P Gaithersburg, Md.	John Fitzgerald Jr.	N.A.	140*	Isuzu	N.A.	90.00*	4.50*	850*	2,500*	5,980*	8,480*
South Bay C-P Torrance, Calif.	James B. Clark	2	87		Voyager	143.05	1.93	946	1,692	5,817	7,509
Glavic C-P Inc. Parma, Ohio	Ronald J. Glavic	12	45		Reliant	93.25*	2.20*	150*	650	6,582	7,232
Galeana C-P Ft. Myers, Fla.	Frank Galeana	6	110		Fifth Avenue	85.39	1.19	1,192	1,581	4,859	6,440
Tate C-P Glen Burnie, Md.	Creston G. Tate	28	60		Reliant	22.62	2.81	390	1,460	3,076	4,536
Reedman Corp. Langhorne, Penn.	Ralph Reedman	27	N.A.	Chevrolet, L-M, Jaguar, Dodge	N.A.	90.00*	6.35*	1,200*	2,300*	1,900*	4,200*
Liccardi Motors Inc. Green Brook, N.J.	Clemente Liccardi	33	120	Peugeot	Fifth Avenue	46.30	1.69	1,174	3,227	0	3,227
Mid City C-P Co. Arlington, Texas	Tom M. Demarest	28	73		Voyager	52.69	3.98	477	1,241	1,851	3,092
Roseville C-P Roseville, Mich.	James Riehl Sr.	20	150		Horizon	48.00	4.45	808	2,789	224	3,013
Walser C-P inc. Hopkins, Minn.	Robert J. Walser	7	79		Voyager	26.98	1.83	1,007	1,367	1,078	2,445
DODGE											
Luke Potter Dodge Winter Park, Fla.	Luke Potter	26	70	Yugo	Shadow	117.70	21.01	3,348	1,863	7,570	9,433
Colonial Dodge Kensington, Md.	John Fitzgerald Jr.	N.A.	95*	Peugeot	N.A.	73.15*	4.25*	1,100*	2,150*	6,270*	8,420*
Dodgeland Springfield, N.J.	Donald Toresco	N.A.	250*	Toyota, Ford, Chrysler, Yugo	N.A.	93.50*	3.23*	1,000*	2,050*	5,130*	7,180*
Tate Dodge Glen Burnie, Md.	Creston G. Tate	32	60		Aries	23.66	1.87	995	1,431	4,228	5,659
Warnock Dodge Inc. Livingston, N.J.	Don Warnock	11	125		Caravan	61.23	3.17	486	1,800	3,700	5,500
Swift Dodge Sacramento, Calif.	Chuck Swift	21	190	Rolls-Royce, AMC	Caravan	67.27	2.10	1,800	2,200	2,797	4,997
Del Amo Dodge Torrance, Calif.	James B. Clark	19	92		Caravan	56.99	2.81	900	1,800	2,972	4,772
Glavic Motors Inc. Wickliffe, Ohio	John Glavic	36	50	Subaru	Aries	55.00*	2.50*	725	850	3,287	4,137
Ourisman Dodge Inc. Alexandria, Va.	Dan Korengold	9	108		Ram Van	51.64	3.51	927	2,650	700	3,350
Pointe Dodge Inc. Detroit, Mich.	Ken Meade	19	97		Ram Van	49.51	3.11	1,131	2,377	941	3,318
FORD											
Jordan Ford Mishawaka, Ind.	Jordan Kapson	26	200	Toyota, Volvo	E150 Van	213.00	3.30	1,511	2,941	14,551	17,492
Santa Monica Ford Santa Monica, Calif.	Bob Karlin	39	90	Yugo	Mustang	198.93	3.84	1,503	2,667	11,205	13,872
Rice and Holman Ford Mt. Laurel-Pennsauken, N.J.	Joseph Holman	63	225	Kenworth	Escort	90.00	10.00	1,000	3,500	7,575	11,075
Pacifico Ford Philadelphia, Penn.	Kerry Pacifico	66	160	Hyundai, Pontiac, L-M, Buick	Escort	110.00	6.10	1,900	2,900	7,476	10,376
Al Piemonte Ford Melrose Park, Ill.	Al Piemonte	22	140		Escort	109.41	2.90	1,451	7,155	2,500	9,655
Dave Sinclair Ford St. Louis, Mo.	David Sinclair	20	145		Escort	77.60	5.92	1,449	5,853	108	5,961
Koons Ford Falls Church, Va.	James Koons	24	250		Escort	77.68	8.79	1,610	5,180	0	5,180
Bob Smith Ford Pittsburgh, Penn.	Robert C. Smith	15	104		Escort	48.26	2.09	920	2,319	2,775	5,094

*Estimate

TOP SELLING DOMESTIC FRANCHISES

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employes	Other makes, same location	Best selling model	Total 1986 sales all franchises, depts. at location	Parts & service volume	Retail used units	Retail new units	1986 fleet sales	Total 1986 new units
Wilmington Sales Wilmington, Mass.	Ben Ristuccia	32	200		Thunderbird	$ 36.79	$ 2.00	3,000	4,916	0	4,916
Koons Ford Baltimore, Md.	James Koons	2	212		Escort	68.54	6.18	1,447	4,719	0	4,719
LINCOLN-MERCURY											
Central Florida Motors Orlando, Fla.	Bob Borst	47	88		Grand Marquis	94.80	12.30	1,290	1,587	3,180	4,767
Pompano L-M Pompano Beach, Fla.	Joe Chiavaroli	13	126		Grand Marquis	82.68	5.25	1,357	2,031	2,579	4,610
Northgate L-M Tampa, Fla.	Jack W. Parks	12	150		Grand Marquis	82.74	3.96	3,400	2,368	1,752	4,120
Carlisle Motors Inc. Clearwater, Fla.	Dan Carlisle	31	197		Grand Marquis	79.63	5.62	1,351	3,158	0	3,158
Stu Evans L-M Garden City, Mich.	Stu Evans	35	100		Grand Marquis	59.17	2.42	976	2,950	77	3,027
Fort Lauderdale L-M Fort Lauderdale, Fla.	Frank McPhee	40	160	Rolls-Royce, Excalibur	Grand Marquis	45.62	8.21	1,137	388	2,444	2,832
Star L-M Southfield, Mich.	Hoot McInerney	17	91		Town Car	58.99	5.40	590	2,679	138	2,817
Elmhurst L-M Elmhurst, Ill.	David G. Mears	75	55		Grand Marquis	38.00	2.10	600	1,200	1,481	2,681
Stu Evans L-M Southgate, Mich.	Stu Evans	42	97		Grand Marquis	50.64	1.81	847	2,493	62	2,555
Eagle L-M Dallas, Texas	Robert M. Eagle	25	189	Isuzu	Cougar	39.02	6.32	1,300	2,508	0	2,508
OLDSMOBILE											
Dale Oldsmobile Bronx, N.Y.	Mark Rosenstock Jr.	40	130		Ninety Eight	379.07	4.00	400	1,850	24,715	26,565
Jim Lupient Oldsmobile Golden Valley, Minn.	Jim Lupient	17	273	Isuzu, Vixen	Cutlass Ciera	165.59	16.72	1,549	3,652	7,133	10,785
Anderson Oldsmobile Baltimore, Md.	Bill Mortimer	67	150	Volkswagen, Sterling	Cutlass Ciera	43.49	5.22	452	2,388	6,688	9,076
Larry Faul Oldsmobile Schaumburg, Ill.	Larry Faul	N.A.	N.A.		N.A.	110.55*	4.55*	550*	1,430*	6,870*	8,300*
The King Motor Co. Fort Lauderdale, Fla.	W. Clay King	50	350	Isuzu, Suzuki, GMC Trucks	Cutlass Ciera	128.00	4.00	5,054	3,164	3,687	6,851
Arnold Palmer Motors Latrobe, Penn.	James O'Neal Jr.	5	40	Pontiac, Buick, Cadillac	Delta 88	195.00*	13.35*	2,500*	3,250*	3,520*	6,770*
Henry Faulkner Inc. Philadelphia, Penn.	Henry Faulkner	55	200		Cutlass Ciera	86.41	10.96	872	3,641	3,093	6,734
Weil Oldsmobile Libertyville, Ill.	Erwin Weil	N.A.	115*		N.A.	74.35*	3.85*	850*	2,900*	3,300*	6,200*
Z. Frank Oldsmobile Des Plaines, Ill.	Jack Sayer	3	99		Cutlass Ciera	81.57	4.83	704	1,800*	3,961	5,761
Wally McCarthy Oldsmobile Richfield, Minn.	Wally McCarthy	25	150		Cutlass Ciera	78.03	6.92	2,977	2,557	1,546	4,103
PONTIAC											
J. M. Pontiac Inc. Hollywood, Fla.	James Moran	17	161		Grand Am	145.00*	5.30*	2,630	4,071	8,598	12,669
Penn Pontiac Inc. Baltimore, Md.	Stanley Z. Penn	17	60		6000	129.00	3.00	300	1,200	9,900	11,100
Stephen World of Wheels Bristol, Conn.	Stephen Barberino	51	286	Toyota, Ford, GMC, Cadillac, Suzuki, Nissan, Jaguar	Grand Am	218.28	10.02	2,568	731	9,970	10,701
Arnold Palmer Motors Latrobe, Penn.	James O'Neal Jr.	5	40	Buick, Olds, Cadillac	N.A.	195.00*	13.35*	2,500*	3,200*	5,000*	8,200*
Prospect Motors Inc. Jackson, Calif.	Frank Halvorson	13	53	Chevy, Cadillac, Buick, Olds	Grand Am	200.45	1.64	326	56	6,962	7,018
Patrick Pontiac-GMC Libertyville, Ill.	Hanley Dawson III	2	110	GMC Trucks	Grand Am	70.00	1.66	1,000	1,144	4,339	5,483
Larry Faul Pontiac Schaumburg, Ill.	Fred Jacobsen	20	82		N.A.	75.50*	3.50*	800*	2,200*	3,000*	5,200*
Faulkner Pontiac-GMC Inc. Trevose, Penn.	Henry Faulkner	6	175	GMC Trucks	Grand Am	81.61	11.01	642	3,392	1,669	5,061
Wilkins Pontiac St. Louis Park, Minn.	C. Harvey Wilkins	8	75		6000	45.32	3.57	711	870	2,836	3,706
Peninsula Pontiac Inc. Torrance, Calif.	Cecil B. Willis	8	55		Fiero	23.88	2.28	521	975	637	1,612

*Estimate

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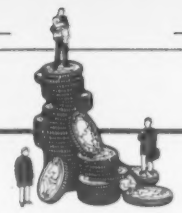

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ranked as the eighth largest Cadillac outlet last year.

Three of the Top 10 Cadillac dealerships are in Florida, including the largest-volume dealer, Bayview Cadillac, Fort Lauderdale. Dealer Edward J. Morse did about two-thirds of his Cadillac volume in fleet business.

The only other Top 10 Cadillac dealer who did more fleet than retail business last year was Maurice Polkowitz, Polkowitz Motors, Perth Amboy, N.J., who sold his dealership at the end of the year. Polkowitz also was one of the top Buick dealers in his final year.

Morse attributed his success last year to three factors. "We strengthened the sales department by upgrading salespeople and the sales management team," Morse said. He said the dealership also constructed a new parking garage that will accommodate 500 cars and that he spends a lot on advertising.

Most of the successful Cadillac dealers reported that satisfying the customer is a crucial factor, as is developing personnel for expansion and promotion.

"Everyone in this dealership understands that the customer is doing us a tremendous favor," said Carl Sewell, Sewell Village Cadillac-Sterling, Dallas. "We treat you like a Cadillac owner."

Sewell said his dealership offers all-day Saturday service department hours and 150 loaner cars for service customers who bought their cars new at his dealership.

— Edward Lapham

Chevrolet

The top 10 Chevrolet dealers sold 101,621 cars and trucks in 1986, or 3.43 percent of the Chevrolets sold in the United States last year.

High-volume dealers said Cavalier, followed by Camaro and Celebrity, were the year's best sellers — except in Texas where Suburban trucks led sales at one dealership.

Bill Wink Chevrolet in Dearborn, Mich., outpaced other volume dealers by a significant margin. Fleet deliveries made up more than 90 percent of the dealership's unit sales. Bill Wink, owner of the dealership, said sales were due to a "lot of stroking of customers."

Other big-volume dealers said the 2.9 percent financing program that closed out the 1986 model year contributed to their success.

"The 2.9 percent was a big shot in the arm here in Dallas because of the oil crunch," said Jim Johnson, of Jim Johnson Chevrolet, Richardson, Texas.

Some dealers said they spent more money in 1986 than 1985 but earned less. "Net profits were half of the year before and you had to spend more money to get people into the dealership," Johnson said.

Jeffrey Legum, of Legum Chevrolet, Baltimore, said television advertising played a role in the dealership's success in 1986.

"We have one of the largest television advertising budgets for dealerships in the country and there is a correlation there," he said. "We dominate the local TV market."

Legum said extended hours for the service department, taking advantage of factory incentives and dualing with Nissan helped. "Nissan brings in younger buyers," he said.

Mark Eddins, owner of Friendly Chevrolet in Dallas, said the dealership upped its advertising budget and worked to dramatically improve customer satisfaction.

Making the customer happy seemed to be the overall ticket to success for dealers. Said Nicholas A. Celozzi, of Celozzi—Ettelson Chevrolet in Elmhurst, Ill.:

"We take care of our customers and they know we will beat any deal in town, so we get a lot of repeat business. The customer who has had 13 cars in 16 years from us is typical."

— Charles M. Thomas

Chrysler-Plymouth

While waves of factory incentives and rebates rolled in and out of showrooms in 1986, the top 10 Chrysler-Plymouth dealers reported renewed consumer interest.

The best-selling model at the top 10 dealerships ranged from Horizon to Reliant, Voyager and Fifth Avenue.

Chrysler's volume-leading dealers reported the third-highest parts and service dollar volume, behind Cadillac and Chevrolet. That was due in part to South Bay Chrysler-Plymouth, Torrance, Calif., which reported the highest parts and service sales of all dealers surveyed — $82 million. That was more than triple the sales of its nearest rival.

Fleet sales also represented a major chunk of the top C-P dealers' 1986 unit sales. Overall, 67 percent of the 50,039 units sold by the top 10 dealers were to fleets. In fact, five of the top 10 dealers reported that fleet sales comprised more than three-fourths of their new-unit sales. Nine-tenths of the 7,509 units sold at Glavic Chrysler-Plymouth, Parma, Ohio, were fleet.

Many of the top-performing dealers cited Chrysler's diversified product line, along with hard work, as important factors for their success in 1986.

However, there were exceptions.

At Liccardi Motors in Green Brook, N.J., the working family was credited with the profit.

"Our success is based on the entire Liccardi family working together and being more aggressive in promotions," said General Manager Kevin Liccardi.

continued →

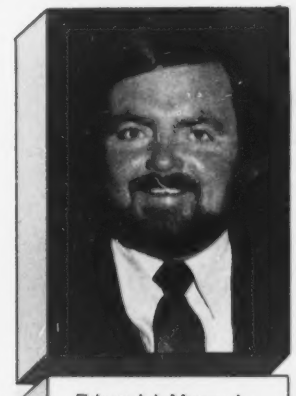
TOPS IN TOTAL SALES

Mark Rosenstock Jr.
Dale Oldsmobile
Bronx, N.Y.
26,565

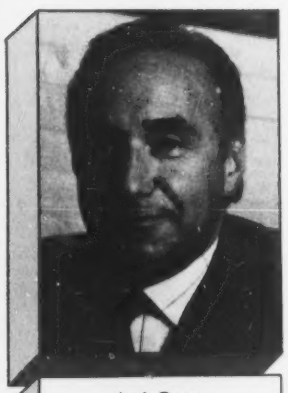
Bill Wink
Bill Wink Chevrolet
Dearborn, Mich.
18,408

Craig Kapson
Jordan Ford
Mishawaka, Ind.
17,492

Bob Karlin
Santa Monica Ford
Santa Monica, Calif.
13,872



Edward J. Morse Jr.
Ed Morse Chevrolet
Lauderhill, Fla.
13,466



Jack Sayer
Z. Frank Chevrolet
Chicago, Ill.
12,677

James Moran
J.M. Pontiac
Hollywood, Fla.
12,669

Jim Johnson
Jim Johnson Chevrolet
Richardson, Tex.
11,335

Stanley Z. Penn
Penn Pontiac
Baltimore, Md.
11,100

Joseph Holman
Rice & Holman Ford
Mt. Laurel-Pennsauken, N.J.
11,075

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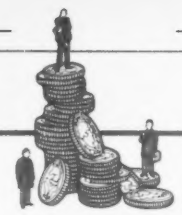

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Tom Demarest, owner of Mid-City Chrysler Plymouth, Arlington, Texas, said the customer is his most important asset.

"You must treat the customer as you wish to be treated," he said.

— Theodore G. Coutilish

Dodge

Dodge's 10 most-productive dealers in 1986 agree that Dodge boys have more fun.

Among top dealers, Dodge boys also know how to roll up some big numbers.

Luke Potter, of Luke Potter Dodge, Winter Park, Fla., exemplifies the Dodge boy spirit. He outdistanced all other Dodge dealers with 9,433 retail and fleet sales last year.

"Chrysler has exceptional credibility with the public," said owner Luke Potter.

The Top 10 Dodge dealers sold an average of 5,662 units apiece for the year.

Fleet sales were a major part of that figure in 1986. Fleet sales comprised more than half the total sales for eight of the Top 10 Dodge dealers.

Caravan was cited most often by the top-performing Dodge dealers as their individual best-selling model. The Ram Van and Aries were right behind Caravan on the list.

Many of the dealers cited a good economy and quality incentive programs and products as reasons for increased sales in 1986.

Individual Dodge dealers offered slightly different perspectives in explaining their rankings on the Top 10 list.

Potter said he became successful by updating his facilities, remodeling and improving training programs.

At Warnock Dodge in Livingston, N.J., owner Don Warnock said "very aggressive incentive programs" led the way to a productive sales year.

Chuck Swift, of Swift Dodge in Sacramento, Calif., said he is glad the factory is staying competitive. "We have the right product at the right price," he said.

Another California dealer, James Clark, Del Amo Dodge, Torrance, included location as a key factor. Clark also had one of the top-volume Chrysler-Plymouth dealerships last year.

The winning combination at Ourisman Dodge in Alexandria, Va., was great team morale, customer satisfaction and "treating customers right," according to owner Dan Korengold.

— Theodore G. Coutilish

TOP RETAILERS

Rank	Franchise	Location	1986 Retail New Units
1	Jim Johnson Chevrolet	Richardson, Tex.	9,216
2	Al Piemonte Ford	Melrose Park, Ill.	7,155
3	Fox Chevrolet	Baltimore, Md.	6,623
4	Dave Sinclair Ford	St. Louis, Mo.	5,853
5	Friendly Chevrolet Co.	Dallas, Tex.	5,819
6	Celozzi-Ettleson Chevrolet	Elmhurst, Ill.	5,763
7	Koons Ford	Falls Church, Va.	5,180
8	Wilmington Sales (Ford)	Wilmington, Mass.	4,916
9	Lou Grubb Chevrolet	Phoenix, Ariz.	4,820
10	Koons Ford	Baltimore, Md.	4,719

Ford

The biggest-volume Ford dealers in the United States were a pretty happy lot last year. They were happy with the Ford product lineup and their ability to compete for retail sales as well as fleet business.

The top 10 performers, located in eight states from coast to coast, reported a variety of reasons for success, and seven of the 10 said Escort was their sales leader.

Mustang and Thunderbird also received first-place votes, and Taurus was second for many of the dealers.

Surprisingly, none of the top 10 Ford dealers named the nation's best-selling model, the full-size Ford pickup, as their individual volume leader.

However, Jordan Ford, Mishawaka, Ind., cited the E-150 van as its best seller. Jordan Ford, No. 1 among Ford franchises, reported 83.19 percent of its deliveries were to fleets. It also was the third-largest domestic-make franchise in the United States last year.

Although the dealership was big in Ford van chassis sales to nearby recreational-vehicle manufacturers, dealer Jordan Kapson said "sales are made one at a time" through customer satisfaction and awareness and doing "whatever it takes" to make the sale.

Virtually all of the leading Ford dealers gave much of the credit for their sales success last year to the quality of the product they sell.

"I think having the best American product there is and good retail-minded programs were the keys to success," said David Sinclair, Dave Sinclair Ford, St. Louis.

Kapson called it "the right product," and Bob Karlin, owner of Santa Monica Ford, Santa Monica, Calif., said his success was due to "better product."

Most dealers also discussed the virtues of hard work, customer satisfaction, cooperation, integrity and teamwork.

Others mentioned large advertising budgets, dealership reputation, a stable workforce and the physical appearance of the dealership.

James Koons had two Koons' Ford dealerships in the top 10, one in Falls Church, Va., and one in Baltimore. He said his greatest asset was a "real young organization," that has enthusiasm. "We're just getting started," Koons said.

One of the top performers on the list is Rice and Holman Ford. The company has a car and light-duty truck facility in Mt. Laurel, N.J., and a truck-only facility in Pennsauken, N.J., which specializes in Ford's heavy-duty models.

Half of the top-selling dealerships achieved success primarily through retail sales, without the big numbers engendered by fleet sales to leasing and daily rental companies.

— Edward Lapham

Lincoln-Mercury

Lincoln-Mercury's Top 10 U.S. dealers say they owe much of their 1986 success to GM — the Grand Marquis, that is.

All but two of the dealers said Grand Marquis was their best-selling model in 1986. Along with Grand Marquis, the luxury Lincoln Town Car and the restyled Cougar led the way to a solid sales year.

Star Lincoln-Mercury, South-

continued →

Dohner's Ford truck deal rings up sales of $100 million

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Philadelphia Ford dealer John P. Dohner sold 3,715 new vehicles last year, not enough to be listed among the 10 largest Ford franchises, but a respectable total nonetheless.

What set Dohner apart was that his total did not include a single Escort, Thunderbird or Taurus. Dohner's dealership, Liberty Ford Truck Sales, is a truck-only outlet. The best-selling model at Liberty Ford last year was the LN-8000 heavy-duty truck.

Gross sales for the Ford-only store, which Dohner owns, were "just under $100 million," he said, including $2.5 million in parts sales and $750,000 in service labor charges.

Less than 10 percent of total new-truck sales — just 360 units — were retail deliveries. The majority of Liberty Ford's sales were to fleet customers, including the Ryder System, the state of Pennsylvania and the city of Philadelphia.

Liberty's appeal to customers apparently is more than just price. Dohner credits a highly computerized ordering system that allows customers to verify an order with a printout on each vehicle before the order is sent and the truck is built and shipped.

He also has a "total open door policy" that involves opening his books to his customers so that they know everything about his operation, including his profit.

"People aren't opposed to you making a fair profit," he said, "and it's a very clean way to do business. When you take the mystery out of the sales system, it takes the sting out of it."

Midway Ford Truck Center, Kansas City, Mo., another truck-only store, sold 962 units last year, 20 percent of which were retail, making 1986 its "lightest year in some time." However, Midway traditionally is one of the top truck sales centers; during the first half of this year, it delivered 1,200 units. Total dealership volume last year, including all departments plus Hino truck sales, was $39 million.

Dealer Gary McClung and his two partners, Donald C. Ahnger and R.D. Edwards, have a philosophy that's different from Dohner's. They know the heavy-duty truck fleet business is cyclical, so they emphasize parts and service. Of total dollar volume last year, McClung said, $9.1 million was in parts and $2.9 million in service labor charges.

"Our first goal is service," McClung said.

"I like to think we're aggressive in parts and service business," he said. "The sign of a good shop operation is if at least 20 percent of the business is from other-make vehicles."

Truck sales were important to dealers selling cars, too.

One dealership, Rice and Holman Ford, has a car facility in Mt. Laurel, N.J., and a truck-only center in Pennsauken, N.J. That operation sold 400 heavy-duty trucks and reported $10 million in parts and service sales.

Four of the top-performing automobile dealers said a truck was their best-selling model last year — and that does not include the "trucks" that pass for cars. Nine AMC-Jeep-Renault dealers said Cherokee was their best-selling model. Three Chrysler-Plymouth dealers said the Voyager minivan was their biggest seller. Three Dodge dealers said the Caravan minivan moved best for them.

The top-volume car dealers relied on trucks in other ways: Five of the General Motors dealers in the listing were dualed with GMC trucks, and 10 other dealerships with car-only franchises were dualed with an import or domestic line that included trucks.

Potamkin stresses retail sales

Megadealer moves 50,000 vehicles a year from 15 outlets

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The Potamkin organization moves a lot of iron — nearly 50,000 new vehicles were retailed last year — but only one of its dealerships was among the Top 10 for any make.

The reason is simple: Potamkin dealerships emphasize retail sales, not fleet sales.

The Potamkin outlets handle the products of seven of the 10 domestic car divisions — no Buick, Oldsmobile or Pontiac — plus imported makes including Isuzu, Hyundai, Yugo, Sterling, Mitsubishi, Volkswagen and Toyota. Still, the only makes that they sell to fleet or lease companies are Cadillac, Chevrolet and Ford. Only 4.1 percent of Potamkin's new-vehicle deliveries are fleet sales.

Although the organization has 41 franchises at 15 dealerships and served as the prototype and archetype for the "megadealer," it is probably best known for its Manhattan Cadillac operation, which the Potamkins reportedly have considered selling to another megadealer operation, the Penske Group, headed by ex-racer Roger Penske.

Imported units accounted for 37.10 percent of total Potamkin new-vehicle deliveries last year, while General Motors makes — Chevrolet and Cadillac — accounted for 30.15 percent and Chrysler makes — Chrysler, Plymouth and Dodge — accounted for 26.83 percent. Ford Motor Co. and American Motors lines made up the balance.

The three Potamkins — father Victor plus sons Robert and Alan — are able to manage the organization easily because each of the dealerships is operated by an equity partner with as much as one-half ownership in that dealership.

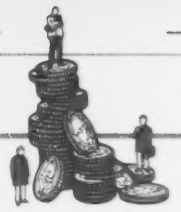
Every Potamkin dealership employee receives incentive pay based on factors he or she can control on a day-to-day basis.

The system has paid off for the Potamkins and has led to rapid growth for the organization. Last year, the Potamkins and their 10 equity partners managed $1 billion in sales.

POTAMKIN 1986 UNIT SALES

Make	Retail	Fleet	Total New	Used	TOTAL
AMC-Jeep-Renault	748	—	748	248	976
Cadillac	5,738	610	6,348	4,621	10,969
Chevrolet	7,883	1,481	9,364	7,585	16,949
Chrysler-Plymouth	8,584	—	8,584	2,269	10,853
Dodge	5,400	—	5,400	2,330	7,730
Ford	1,079	54	1,133	1,084	2,217
Lincoln-Mercury	1,204	—	1,204	—	1,204
TOTAL IMPORT MAKES	19,336	—	19,336	6,594	25,930
TOTAL	49,972	2,145	52,117	24,711	76,828

$ALES GIANTS



continued from page 43

field, Mich., reported that its number one seller was the big Town Car, accounting for 703 sales.

Eagle Lincoln-Mercury, Dallas, said the Cougar was its sales leader.

Major reasons cited for individual success by Lincoln-Mercury dealers were service and "a fantastic product line."

Joe Chiavaroli, executive vice president and general manager of Pompano Lincoln-Mercury, Pompano Beach, Fla., said this is the best product line since Ford Motor Co. dedicated itself to quality improvements in 1980.

Other factors cited by the Top 10 dealers for increased retail sales included: Ford's extended-service plan, higher-quality cars, honest and fair service provided by the dealers and styling.

Leading the pack with more than 4,000 retail and fleet units sold was Bob Borst, owner of Central Florida Motors in Orlando, Fla. Borst attributed the success of his 47-year-old dealership to a super reputation for offering excellent customer service.

"We provide honest and fair service and we stay away from gimmicks," he said.

When asked about marketing techniques, most of the high-performing dealers said long-standing community reputations and maintaining strong customer satisfaction were their marketing tools, not promotional gimmickry or sideshows.

— Theodore G. Coutilish

Oldsmobile

The largest-volume Oldsmobile dealers last year were successful for a variety of reasons, but most agreed that the Cutlass Ciera was their best-selling model.

Six of the Top 10 Oldsmobile dealerships were exclusives. Dualed franchises ranged from a full house of General Motors lines to Volkswagen, Isuzu, Suzuki, Sterling and Vixen motor homes.

Dale Oldsmobile, Bronx, N.Y., the highest-volume domestic dealership last year, depended on fleet sales to take the crown. Dale had 1,850 retail sales and 24,715 fleet sales for a total of 26,565 units.

Mark E. Rosenstock Jr., of Dale Oldsmobile, said the Oldsmobile 98 and Cutlass Ciera were his best-selling models, but that his real success comes from "reputation and hard work."

Two Minnesota dealerships attributed 1986 sales success to the 2.9-percent loans during the model-year closeout: No. 2 Oldsmobile franchise Jim Lupient Oldsmobile, Golden Valley, and Wally McCarthy Oldsmobile, Richfield.

Many dealers emphasized the need to treat customers well.

W. Clay King, King Motor Co., Fort Lauderdale, Fla., said "it all starts and ends" with customer satisfaction.

Jack Sayer, general manager of Z. Frank Oldsmobile, Des Plaines, Ill., put it succinctly: "We treat every customer as if he or she were a referral of Mr. (Zollie) Frank personally."

There also was agreement on the need to maintain first-class facilities and to develop a dependable, stable workforce.

"It's simple," said Henry Faulkner, Henry Faulkner Inc., Philadelphia. "We made a major investment in the facility and a major investment in people."

— Edward Lapham

Pontiac

The A- and N-bodies made the difference for most of the top Pontiac dealers, as Grand Am and 6000 proved to be their most popular models in both fleet and retail sales last year.

The one notable exception among the 10 largest Pontiac dealers was Peninsula Pontiac, Torrance, Calif.

"This is a beach area," said dealer Cecil B. Willis, "so we get a lot of younger buyers and they buy Fiero."

Location seemed to be a factor in more than model preference: Stanley Z. Penn, Penn Pontiac, Baltimore, said his location near Baltimore's harbor and gentrified neighborhoods, plus his proximity to Washington, contributed to his ranking.

Penn also sells boats, and that helped too. "I have people coming in to buy boats all the time," Penn said. The boats attract customers from a larger geographic area, and his boat customers often become car customers as well, he said.

While Penn was the only dealer selling boats in the same facility, just four of the Top 10 dealers, including Penn, have no other brands of automobiles in the same showroom.

Stephen Barberino sells seven additional makes at Stephen World of Wheels, Bristol, Conn.

Patrick Pontiac-GMC carries Mitsubishi and Suzuki in addition to Pontiac and is part of the Hanley Dawson multi-franchise, 14-acre complex in Libertyville, Ill.

Most of the biggest Pontiac dealers cited the standard factors for their sales success: satisfied customers plus dedicated and well-compensated employes.

C. Harvey Wilkins, Wilkins Pontiac, St. Louis Park, Minn., emphasized good management including a good general manager and a good general sales manager. Above all, he said, a successful dealer "must apply himself and use good selling sense."

Fleet sales also were important to the Pontiac Top 10. Only two of the 10 dealers reported more retail deliveries than fleet sales last year: Willis at Peninsula and Henry Faulkner, Faulkner Pontiac-GMC, Trevose, Pa.

— Edward Lapham

Automotive News Staff Reporters Kathy Barbaglia, Mary Connelly, Louise Kertesz, Michelle Krebs and Philly Murtha contributed to this special report.

Just call him Mega-Dean

Roger H. Dean was a megadealer before the word was invented.

None of his stores is large enough to make the Top 10 list of any given brand. Nevertheless, gross sales are expected to top $1 billion this year.

Dean acquired his first franchise 40 years ago. Today, Roger H. Dean Enterprises, headquartered in West Palm Beach, Fla., has 52 franchises, and Dean expects to add a half dozen or more this year. The franchises represent 23 makes in 43 locations, mainly in Florida, Ohio and West Virginia.

His 1986 results: nearly 93,000 sales and volume of $914 million.

Dean attributes his success to hard work, good people and taking risks. He said he puts hard-working young people in key spots, eventually putting them into their own dealerships as partial owners.

Forty years ago, Dean was a traveling salesman. His car broke down in Welch, W.Va., and the Lincoln-Mercury dealer took him to lunch. He told Dean he took in $10,000 the previous month.

Dean was interested. He obtained an L-M deal in Athens, Ohio, and acquired three more stores the first year.

In 1955, when Ford wouldn't allow Dean to expand any more, he sold his Ford and L-M outlets and bought Chevrolet dealerships in the same towns.

Big markets, big fleets lead to big dealers

49 of Top 100 outlets located in four states

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The top-performing domestic-franchise dealers tend to be clustered in high-density metropolitan areas and high air-travel areas with large lease and daily rental fleets.

The formula is simple: The biggest markets have the biggest dealers.

Florida, with its large daily rental fleets, superb Dade County demographics and numerous tourist attractions, accounted for 16 of the 100 top-performing franchises. In fact, every one of the 10 domestic divisions except Ford had at least one of its top dealers in Florida.

The highest concentration is among luxury makes: Four of the top 10 Lincoln-Mercury outlets are there, including the best-selling L-M franchise, Central Florida Motors, Orlando. Three of the top 10 Cadillac dealerships are in Florida, including top-performer Bayview Cadillac in Fort Lauderdale.

Illinois ranks second to Florida, with 12 of the top 100 clustered in the Chicago area. There, top-selling General Motors dealerships abound, including three of the top Oldsmobile franchises, two each from Buick, Chevrolet and Pontiac, plus one of the top Cadillac dealerships.

California, with the third-largest collection of top franchises (11), has a well-balanced mix, with two each from AMC-Jeep-Renault, Cadillac, Dodge and Pontiac. Only Chevrolet, Oldsmobile and Lincoln-Mercury had none of their top dealerships in California.

WHERE THEY ARE

Maryland, neighbor to Washington and in the highly populated eastern corridor, was home to 10 of the top 100 franchises. It proved to be well diversified: There were two top performers each from Dodge, Chrysler-Plymouth and Chevrolet, plus one each from Oldsmobile, Pontiac, Buick and Ford.

Those four states accounted for 49 of the 100 top-performing dealers.

The densely populated eastern metropolitan areas also have their share of big dealers.

New Jersey and Pennsylvania each had seven of the top-performing dealerships. The New York City region, which includes some cities in New Jersey, had nine of the big franchises — two Cadillac, two Buick and two AMC, plus one each from Oldsmobile, Dodge and Chrysler-Plymouth. Four of those franchises were in New Jersey.

Texas had seven, including three Chevrolet, two Cadillac, one Lincoln-Mercury and a Chrysler-Plymouth. Five of the big Texas deals were in Dallas; one was in nearby Irving; and one was in Arlington, also in the Dallas area.

The Detroit area had six of the ranking franchises, including three Lincoln-Mercury dealerships and one store each from Dodge, Chrysler-Plymouth and Chevrolet.

The other states with more than one of the top 100 outlets were Minnesota with five, Massachusetts with three and Ohio and Virginia with two each.

Artwork by Ruth Skurda

AUCTION DATES

American Motors

Sept. 1 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 2 — Columbus Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Sept. 3 — Corry Auto Auction, Corry, Pa.

Sept. 8 — D-A Auto Auction, New Stanton, Pa.

Sept. 9 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Chrysler Corp.

Sept. 1 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Sept. 2 — A.D.E. of Alabama, Boaz, Ala.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Sept. 3 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Used Car Sales
Auction Averages

August, 1987	$6,070
Month ago	$6,030
Year ago	$5,237

Sept. 8 — NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Florida Auto Auction of Orlando, Ocoee, Fla.

General Motors

Sept. 1 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; 166 Auto Auction, Springfield, Mo.; and South Seattle Auto Auction, Kent, Wash.

Sept. 2 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Sept. 3 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; Denver Auto Auction Englewood, Colo.; and Big H Auto Auction, Houston

Model Breakdown
Auction Averages

	AUG 1987	JUL 1987	JUN 1987
1987	$11,726	$11,512	$11,113
1986	$8,934	$9,032	$9,187
1985	$7,385	$7,394	$7,191
1984	$5,754	$5,756	$5,727
1983	$5,016	$5,081	$4,852
1982	$3,648	$3,684	$3,687
1981	$2,632	$2,642	$2,680
1980	$2,072	$2,068	$2,134
Overall Average	$6,070	$6,030	$5,900

Ford Motor Co.

Sept. 1 — Harrisonburg Auto Auction, Harrisonburg, Va.

Sept. 2 -- Indianapolis Auto Auction, Indianapolis, and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Sept. 3 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and Nashville Auto Auction, Nashville, Tenn.

Sept. 9 — Lakeland Auto Auction, Lakeland, Fla.

Safety center seeks recall of one million GM models

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Technical bulletins sent to General Motors dealers indicate that some 1986 and 1987 cars may stall because of electronic problems.

The Center for Auto Safety called the stalling problems serious. It said that complaints it has received indicate the problem may continue even after servicing.

It has asked NHTSA to investigate the defect and recall some one million cars potentially involved.

A spokesman for GM acknowledged the problem and said, "Some '86 and '87 models may experience a stalling condition, which dealers may remedy through a change in an onboard computer memory module."

The December 1986 and February 1987 service bulletins sent to dealers said GM will issue parts or kits to correct the problem. Involved, according to the safety center, are all 1986 and 1987 C-, H- and E-body cars, as well as A-body cars with 3.8-liter engines.

The February dealer bulletin listed the following 1986 models as cars that may "intermittently not stay running" or "stop running:" Oldsmobile Delta 88, 98, Toronado and Cutlass Ciera; Buick LeSabre, Electra, Riviera and Century; and Cadillac Deville and Fleetwood.

The bulletin cited fuel and throttle problems or failures of electronic idle components. The center said that all the cars have power steering and power brakes, making them difficult to stop or steer when the engine stalls.

The center said motorists have described severe "back-order" problems for the service kits and waits of up to five months for parts. A Maryland dealer repurchased a 1986 Buick Century from a customer after it had been in the shop six times for a total of 43 days for stalling, the center said.

The center said the problem continues in some 1987 models. It cited a recent accident involving a 1987 Buick LeSabre that stalled on a highway exit ramp, and an instance of a driver losing control because of the loss of power brakes and steering.

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TEXAS
Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS
Auctions Unlimited, 2260 East I-30, Rockwall, Texas 75087. Dallas-Ft. Worth area. Sales every Monday & Wednesday 7 PM. 214-722-9495.

WASHINGTON
So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

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Dodge Daytona Shelby joins cars going to Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Chrysler Motors has added the Dodge Daytona Shelby Z sports car to the list of models it will sell in Europe beginning early next year.

In addition, the U.S. automaker is expected to announce within the next several days the formation of a European sales headquarters to be located in the Frankfurt area.

Chrysler officially disclosed its return to the European market at the Geneva auto show last March and is expected to offer further details at the Frankfurt show next week.

The company said previously it would sell the Chrysler LeBaron Turbo coupe and convertible, Dodge Lancer ES and Shadow ES and Plymouth Voyager minivan, and it held out the possibility of adding the Daytona to its line.

A Chrysler spokesman last week confirmed that the turbocharged sports car will be marketed in Europe. It will be called the Chrysler GS Turbo II.

The Daytona has reportedly been well received during European market tests in recent months. Pricing has not been settled, but Chrysler is expected to position the Daytona beneath the low end of the Porsche spectrum. It could fit between the Volkswagen Scirocco and Porsche 924, challenging the likes of Mazda's RX-7 and VW's forthcoming Golf-based Corrado sport coupe.

Chrysler has decided on Frankfurt as the base of operations for its new European sales effort. Staffing for the new office is expected to be announced at or before the auto show, along with the completion of some agreements with independent distributors.

Chrysler apparently has not reached a European distribution deal with either Fiat or Renault. Renault distribution of Chrysler products was suggested after Chrysler agreed earlier this year to buy American Motors. However, nothing has developed.

Renault currently distributes Jeep in Europe, and Chrysler Motors Vice Chairman Bennett Bidwell said recently in Detroit that the situation is unlikely to change soon.

"I think Renault will stay on," he said. "I would think that over time we would build . . . an independent distribution system. But that will take a while."

A Chrysler spokesman said the company is finalizing agreements with independent distributors. At Geneva, Michael Hammes, vice president — international operations, said the automaker had two distributors under contract and three others nearly signed.

The spokesman last week said a distribution contract has been signed for Switzerland. One country for which an agreement has not been finalized is West Germany, which Chrysler expects to be its key market.

In France, there has been talk that Chrysler may link with the French import firm Sonauto, whose contract with the Spanish carmaker Seat recently expired. Sonauto is an affiliate of Porsche A.G.

Once a distribution system is in place, Chrysler expects to have a European network of about 500 dealers.

Sales will start in West Germany, Austria, Switzerland, the Netherlands, Belgium and Luxembourg. France will be added as cars are converted for leaded fuel and Spain, Italy and the Scandinavian countries are expected to be added several months after the first launches.

The initial sales target is about 5,000 units for the first year, though Chrysler is reportedly pushing for volume of 50,000-100,000 by the mid 1990s.

Among the featured attractions at the Frankfurt show will be Chrysler Corp. Chairman Lee Iacocca, who will herald the company's return to Europe after a nine-year absence.

The Chrysler boss and executive vice president Robert Lutz will conduct a press conference at the Frankfurt stock exchange. Iacocca is also expected to meet with West German Chancellor Helmut Kohl, among others, during a luncheon with the management board of the Deutsche Bank.

The U.S. automaker's other showcase at Frankfurt will be a Chrysler-designed concept car based on the Lamborghini Jalpa. The show car could preview plans for a new U.S.-bound collaborative effort in 1990.

NADA

FROM PAGE 3

turn franchise does contain a provision for binding arbitration similar to Chrysler's," McCarthy said. "We have had several meetings objecting to the provision. Saturn has not made a final decision."

McCarthy said some import franchise agreements, such as the Mazda sales contract, also concern NADA.

"They don't go quite as far as Chrysler, but they do create some concern regarding arbitration provisions," he said.

"Under this agreement, dealers would be precluded from pursuing rights and remedies under state law before motor-vehicle boards or court systems," the NADA legal analysis said.

In a prepared statement, Chrysler said it "feels binding arbitration of disputes between our dealers and Chrysler Motors Corp. is by far the most equitable and cost-effective method of settling disagreements. And many of our dealers agree."

"By NADA's own survey," Chrysler said, "Chrysler has the best relationship with dealers in the domestic industry. We feel that says something about our judgment in writing the new agreement."

In a telegram sent to Chrysler Corp. Chairman Lee Iacocca and Chrysler Motors Chairman Gerald Greenwald, McCarthy and NADA President James T. Caplinger said, "NADA opposes mandatory binding arbitration because it bypasses the very systems established to resolve franchise disputes and clearly contradicts the laws of not less than 13 states.

"At the worst," the telegram said, "binding arbitration offers no assurance either that dealers' substantive rights under state law will be properly enforced or that prior board or court decisions will be followed."

NADA described the state franchise laws enacted over the last three decades as "an effort to equalize the tremendous difference in economic power between the two parties to the franchise agreement."

NADA said it supports voluntary, non-binding arbitration and is notifying its members of the "risks" in the Jeep-Eagle agreement. It is not asking dealers to refrain from signing the agreement.

"The NADA accusation that our new franchise agreement is illegal in at least 13 states is incorrect," Chrysler said.

"We passed our new agreement through a battery of very knowledgeable attorneys before we presented it to our dealers. The arbitration provision is covered under the federal arbitration act," Chrysler said.

Chrysler is currently re-franchising former American Motors dealers as Jeep-Eagle dealers following its acquisition of AMC.

Chrysler Motors Vice Chairman Bennett Bidwell said earlier this month that the company expected to complete signing of the new sales agreements within 90 days.

The NADA analysis of the Jeep-Eagle agreement said the contract contains "several unique termination provisions."

"If a dealer has more than one agreement, the termination or notification of termination of one agreement will result in the termination of the second agreement," the NADA review said.

"If the Eagle agreement is terminated, the Jeep agreement will also terminate even if there are not independent grounds for terminating the Jeep agreement."

The new agreement also provides that if a dealer negotiates to sell the dealership's assets, Chrysler has the right of first refusal to purchase the dealership.

"Unlike other agreements, dealers are not given an opportunity to withdraw the entire sale once (the company) indicates that it is going to exercise its purchase option," the NADA review said.

NADA said a unique feature of the agreement is a requirement that all dealers be members of the dealer advertising association.

The agreement also addresses lemon-law notification.

A dealer must notify the company when a vehicle has been in for repairs one-half the number of times required to trigger repurchasing or replacement provisions under state law or whenever a vehicle has been out of service for one-half of the number of days required to trigger any repurchase or replacement provision.

If a dealer fails to notify the company, the dealer will be required to buy back the vehicle or provide a replacement vehicle.

"This may not be objectionable," the NADA review said. "But it does present a new area of potential liability for a dealer who does not effectively monitor its service operations."

NADA said the agreement also follows an industry trend by requiring dealers to notify a customer in writing any time that a modification, equipment, accessory or part is installed or used that is not supplied by the manufacturer and is not included in the manufacturer's warranty.

Crash data criticized

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Center for Auto Safety has criticized NHTSA for its failure to identify cars equipped with driver-side air bags or passive belts when they are crashed at 35 mph into a barrier.

The crashes are done under the agency's experimental program to allow purchasers to compare occupant protection among new cars.

For instance, the consumer group said that the average person would not know that the 1987 Mercury Topaz has a driver air bag. Neither would they know that the 1987 Ford Escort and 1987 Mitsubishi Starion had motorized automatic belts.

Automakers must produce 10 percent of their 1987 cars equipped with passive restraints.

CAS said that those with passive restraints offer better occupant protection, citing NHTSA data on head injury criteria.

In doing the comparison, the group noted if the car had sheet metal changes, its model year and whether it is a two-door or four-door model.

The center says air bags probably protect heads better than any type of belt, and that passive restraints provide superior protection because they are most likely to be used.

However, it should be noted that in NHTSA's New Car Assessment Program, the dummies used get maximum protection. They are always properly and tightly belted — in contrast to the public-at-large — and all cars are new.

DOMESTIC SALES

	Aug. 11-20, 1987	Aug. 11-20, 1986
Eagle	565†	1,400†
Chrysler	10,830	9,336
Plymouth	6,487	9,083
Dodge	8,318	12,969
Chrysler Motors	26,200	32,788
Ford	45,853	36,306
Mercury	16,295	13,678
Lincoln	4,759	3,951
Ford Motor Co.	66,907	53,935
Buick	20,150	18,108
Cadillac	10,840	6,817
Chevrolet	46,688	37,535
Oldsmobile	28,063	26,163
Pontiac	21,146	18,540
General Motors	126,887	107,163
Volkswagen	1,594	2,242
Honda	7,563	4,154
Nissan	5,527	14
Toyota	1,188	0
U.S. Industry Total	235,866	200,296

†—Estimate

Incentive plans hike mid-month sales 17.7%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Mid-August domestic-car sales surged ahead 17.76 percent over the same period a year ago. Cash rebates and financing incentives boosted Aug. 11-20 sales 38.43 percent above those in the first 10 days in August this year.

Sales totaled 235,866 cars compared with 200,296 a year ago. The daily selling rate increased to 26,207 units, up from 22,255 in 1986.

Ford Motor Co. chalked up 10-day sales of 66,907, a gain of 24.05 percent over last year's 53,935.

General Motors sold more cars in mid-August than in any other mid-month period of the 1987 model year. Sales totaled 126,887, up 18.41 percent. Cadillac sold 59.01 percent more cars due to $2,000 rebates on three car lines.

Chrysler Motors' mid-month sales, which include Eagle Division estimates, dropped 20.09 percent to 26,200 compared with the year-ago total. Last year's total includes AMC estimates. However, Chrysler sold more cars in the mid-August period than it did in the first 10-days when it sold 17,568.

Nissan sales grew exponentially to 5,527 cars compared with 14 a year ago when the Tennessee plant had just resumed production. Honda's sales advanced 82.07 percent to 7,563 in the mid-month period. Toyota sold 1,188 U.S.-built cars; last year it did not produce cars in the U.S. Volkswagen sold 1,594 cars, a 28.90 percent drop.

Michigan stamping plant slated for Mazda

IRVINE, Calif. - Mazda (North America) and three Japanese auto parts firms have formed a joint venture to produce metal stampings in Tecumseh, Mich. Beginning in the fall of 1989, the new company will supply stampings to Mazda Motor Manufacturing (USA) Corp.'s assembly plant in Flat Rock, Mich.

The new firm, Lenawee Stamping Corp., will build a $70 million plant employing 360 workers to make a variety of stampings, such as body pillars, side sills and cross members.

Construction of the plant will begin in September, with production scheduled to start in the fall of 1989.

In addition to Mazda (North America), the partners are Miura Kogyo, Ondo Kosahusho and Yamamoto Kozai, all of Hiroshima, Japan. Each of the partners will hold 25 percent of Lenawee Stamping.

All the Japanese firms currently supply stampings to Mazda Motor Corp.'s assembly plants in Japan. Mazda owns one-third of Miura Kogyo.

A spokesman for Mazda (North America) said formation of the new company will result in a change of sourcing for those stampings from Japan to the United States.

According to the companies, Tecumseh was chosen as the location for the plant because of the skilled labor force in the area and the support extended locally and by the state of Michigan.

It was reported that the state will provide $1.3 million in labor training assistance, and Tecumseh has applied for $520,000 in community development block grant funds to make plant-site improvements and to meet infrastructural needs.

A spokesman said the partner companies investigated using U.S. suppliers for the components, but decided in the interest of speed and efficiency to form a joint venture among Japanese firms. He said it was more efficient in this instance to rely on Japanese firms, which have the tooling and technical knowledge to fill Mazda's needs.

PRODUCTION

U.S. CAR	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
AMERICAN MOTORS	0	1,464	0	0	36,991	15,994
Renault Total	0	1,464	0	0	36,991	15,994
Alliance	0	1,464	0	0	33,644	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	19,200	23,615	17,092	65,274	696,919	697,763
Plymouth Total	5,200	8,310	5,096	20,271	272,902	207,562
Horizon	0	3,096	0	0	115,500	32,997
Sundance	1,500	1,090	1,426	5,184	9,339	61,762
Reliant	3,000	2,962	3,048	12,043	105,300	76,427
Caravelle	600	746	622	2,449	30,242	32,468
Gran Fury	100	416	0	595	12,521	3,908
Chrysler Total	7,200	5,860	5,539	21,406	278,086	236,792
Laser	0	0	0	0	27,239	0
LeBaron K	900	850	993	3,856	65,859	47,724
LeBaron J	2,100	0	1,962	4,980	0	75,174
LeBaron GTS	700	1,402	710	2,538	46,099	26,467
N. Yorker E-Class.	1,700	1,255	1,760	6,682	51,203	53,475
N. Yorker C-Class	300	0	114	414	0	414
Fifth Avenue	1,500	2,353	0	2,936	87,686	33,538
Dodge Total	6,800	9,445	6,457	23,597	345,931	253,409
Daytona	1,400	0	1,285	3,336	30,807	37,247
Omni	0	3,099	0	0	111,506	28,363
Shadow	1,600	1,009	1,586	5,654	8,305	63,587
Aries	2,600	2,632	2,621	10,394	82,420	71,566
Dodge 600	500	821	555	2,120	49,326	29,042
Lancer	400	787	410	1,449	36,130	16,550
Diplomat	300	1,097	0	642	27,437	7,054
FORD MOTOR	27,974	38,946	24,202	99,658	1,196,588	1,217,058
Ford Division	19,621	26,714	17,006	70,764	817,933	863,998
Escort	7,062	7,772	5,987	25,849	259,178	246,459
Mustang	4,636	3,785	3,429	13,612	128,445	140,242
Tempo	0	3,896	0	0	133,145	99,830
Taurus	5,679	9,248	6,692	25,129	192,688	273,126
Thunderbird	2,244	2,013	898	6,174	104,477	104,341
L-M Division	8,353	12,232	7,196	28,894	378,655	353,060
Mercury Total	4,197	9,032	3,017	12,979	262,882	234,146
Lynx	0	1,471	0	2	44,101	21,352
Capri	0	755	0	0	12,381	0
Topaz	0	937	0	0	39,550	32,858
Cougar	2,251	2,960	682	4,926	86,941	92,583
Sable	1,946	2,909	2,335	8,049	79,909	87,353
Lincoln Total	4,156	3,200	4,179	15,915	115,773	118,914
Continental	0	324	0	0	12,891	9,610
Lincoln	3,462	2,401	3,483	13,262	86,834	91,184
Mark VII	694	475	696	2,653	16,048	18,120
GENERAL MOTORS	69,939	63,254	49,984	166,105	2,812,780	2,290,871
Buick Total	13,997	12,725	11,808	35,449	520,592	369,837
Skyhawk	1,095	1,546	998	2,827	58,046	19,278
Century	3,359	3,302	3,188	10,268	160,132	113,493
Regal (rwd)	625	1,276	601	1,236	42,028	30,436
Somerset/Skylark	2,087	1,891	1,567	3,954	74,549	41,026
LeSabre (fwd)	4,780	4,459	4,000	10,743	99,887	91,436
LeSabre (rwd)	130	251	108	441	10,361	6,142
Electra (fwd)	1,921	0	1,346	5,980	56,102	59,525
Riviera	0	0	0	0	19,487	8,501
Cadillac Total	5,114	5,824	2,798	11,100	220,187	174,014
Cimarron	182	457	66	253	16,968	7,742
Allante	0	0	329	629	0	3,441
Brougham (rwd)	1,800	2,232	1,559	6,242	57,917	45,028
DeVille (fwd)	3,132	3,135	844	3,976	109,712	94,549
Eldorado	0	0	0	0	18,513	10,534
Seville	0	0	0	0	17,077	12,720
Chevrolet Total	28,009	22,205	20,216	72,910	855,954	894,571
Chevette	0	2,584	0	0	66,069	0
Camaro	4,516	3,220	3,794	12,945	121,519	83,161
Cavalier	3,305	8,035	1,038	4,343	271,001	209,194
Celebrity	4,035	0	3,912	7,947	162,723	200,431
Corsica/Beretta	11,718	0	7,373	34,954	0	213,793
Monte Carlo	1,728	3,024	1,636	3,364	80,001	45,391
Chevrolet	2,705	4,695	2,260	9,154	137,048	124,315
Corvette	0	647	203	203	17,593	18,286
Oldsmobile Total	10,392	11,527	5,161	21,782	693,110	413,548
Firenza	465	744	426	1,195	25,917	3,214
Calais	2,593	2,027	1,980	4,934	79,221	74,481
Cutlass Ciera	0	1,773	0	0	174,704	99,968
Cutlass Supreme	1,667	921	1,621	4,777	88,342	50,315
88 (fwd)	1,844	3,527	858	4,459	222,362	111,907
88 (rwd)	0	338	0	0	13,031	10,656
Olds 98	3,823	2,197	276	6,417	75,488	44,286
Toronado	0	0	0	0	14,045	10,127
Pontiac Total	12,427	10,973	10,001	24,864	522,937	438,901
Acadian*	0	377	0	0	10,317	0
Fiero	0	91	0	0	46,407	20,689
1000	0	778	0	0	13,409	0
Firebird	1,785	1,901	1,842	5,754	75,083	54,649
2000 Sunbird	577	3,388	0	577	91,371	60,872
Grand Am	4,800	4,253	4,789	9,589	146,856	159,165
6000	2,361	0	1,350	3,711	97,065	52,400
Bonneville	2,544	0	1,901	4,445	0	84,391
Safari/Parisienne	360	185	119	788	42,429	6,735
HONDA	5,000	5,465	5,496	23,741	137,858	219,771
Civic	492	0	1,571	6,518	0	71,648
Accord	4,508	5,465	3,925	17,223	137,858	148,123
NISSAN	2,600	1,151	2,604	10,334	24,065	87,731
NUMMI	3,400	3,350	3,908	15,362	135,532	132,390
Corolla	700	0	882	3,362	0	27,870
Nova	2,700	3,350	3,026	12,000	135,532	104,520
VOLKSWAGEN	0	2,008	0	0	54,354	43,129
Golf/GTI	0	2,008	0	0	54,354	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	128,113	139,253	103,286	380,474	5,295,087	4,704,707
Total Cars, Canada	11,100	14,234	6,971	23,187	691,373	493,261
U.S., Canada Cars	139,213	153,487	110,257	403,661	5,986,460	5,197,968
U.S., Canada Trks.	74,836	79,194	77,377	303,977	2,952,197	3,021,814
U.S., Canada Cars and Trucks	214,049	232,681	187,634	707,638	8,938,657	8,219,782

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

U.S. car output on steady climb

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production continues to increase as plants resume production after being idle for model changeover.

Last week's targeted output of 128,113 cars was the highest in almost two months. The week's estimate was 24.04 percent more than the previous week's 103,286 but 8.00 percent below the year-ago week's 139,253.

So far this year, 4,704,707 cars have been assembled, 11.15 percent below the 5,295,087 completed last year at this point.

Companies split last week's scheduled production as follows: General Motors, 54.59 percent; Ford Motor Co., 21.84 percent; Chrysler Motors, 14.99 percent; Honda of America Manufacturing Inc., 3.90 percent; New United Motor Manufacturing Inc., 2.65 percent; and Nissan Motor Manufacturing Co. U.S.A., 2.03 percent.

Volkswagen of America's Westmoreland, Pa., plant remains idle for model changeover. The plant is scheduled to resume output Sept. 21. It had been slated to return Sept. 14, but production was delayed a week because of the VW strike in Mexico. The strike was settled last week.

GM announced a three-week extension of the second shift at its Buick City plant in Flint, Mich. The shift was originally scheduled to be dropped Sept. 17. A GM spokesperson said the extension is due to an increase in dealer orders for the 1988 LeSabre.

GM's Corvette plant in Bowling Green, Ky., and its Fiero plant in Pontiac, Mich., are closed until Sept. 8 because of a parts shortage.

The Cadillac Allante line at the Detroit-Hamtramck plant was idle last week for model changeover. Output is scheduled to resume Wednesday.

Three GM plants remain closed for model changeover. They are: Arlington, Texas; Framingham, Mass.; and Doraville, Ga.

Ford's Kansas City, Mo., plant is expected to resume operations today. The plant has been idle for model changeover.

Daily overtime is slated this week for Ford's Dearborn, Mich., and Wixom, Mich., plants.

Big 3 built 18,118 cars in Mexico

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Automotive News this week begins reporting monthly production figures for the U.S. Big 3 automakers building cars in Mexico.

The three automakers built 18,118 cars in Mexico in July. The year-ago July total was not available, but the July total was depressed from the usual rate because a strike against Ford reduced output.

General Motors, which produces the Chevrolet Celebrity for export to the United States, plus Oldsmobile Cutlass Ciera and Buick Century models for the Mexican market, built 5,195 cars during July. That compares with 1,367 assembled during the year-ago month.

By the end of July, GM had built 20,749 cars this year in Mexico, more than double the 9,838 assembled during the first seven months of 1986.

Ford Motor Co. reported 4,223 Mexico-built cars. Of that total, 3,368 were Tracers — built in Hermosillo, which was strike-free. The remaining 855 units were Topaz, Thunderbird, and Cougar models, which are sold exclusively in Mexico. The plant that assembles those three models was idled for most of July by the strike. Ford's year-ago numbers were not available at presstime.

Chrysler Motors assembled 8,700 K-cars in Mexico last month, 49.23 percent more than the 5,830 assembled in July 1986. It exports the Aries and Reliant models to the United States.

Chrysler's year-to-date total at the end of July was 43,784 cars, up 54.94 percent from the year-ago period's 28,259.

MEXICAN CAR
Big 3 Production

	July 1987	July 1986
MEXICO	18,118	N.A.
GM	5,195	1,367
Ford	4,223	N.A.
Chrysler	8,700	5,830

CANADIAN CAR	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
CHRYSLER	100	120	108	424	2,627	3,617
FORD MOTOR	4,424	9,881	2,662	10,625	346,508	300,181
GENERAL MOTORS	5,981	4,008	3,784	10,318	335,562	173,536
HONDA	370	0	417	1,595	0	9,283
VOLVO	225	225	0	225	6,676	6,642
Total Cars, Canada	11,100	14,234	6,971	23,187	691,373	493,261
U.S. TRUCK☆	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
CHEVROLET	10,557	19,845	15,426	62,392	791,394	752,127
DODGE	7,500	4,202	7,469	28,631	66,689	174,451
FORD	25,818	28,116	21,211	99,186	953,392	966,656
GMC	5,915	5,422	6,314	24,194	242,437	253,909
NAVISTAR	1,409	1,286	1,647	6,360	47,741	48,040
JEEP	4,500	4,059	4,507	9,200	119,801	146,144
NISSAN	2,133	1,939	2,112	8,415	80,906	56,315
AM GENERAL*	450	50	450	1,800	1,712	9,810
MISCELLANEOUS*	2,300	2,300	2,300	9,200	77,740	77,900
Total Trucks, U.S.	60,582	67,219	61,436	249,378	2,381,612	2,485,352
CANADIAN TRUCK	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
JEEP	750	757	930	3,234	18,399	22,100
CHRYSLER	6,228	7,528	6,671	25,567	264,911	266,255
FORD	951	3,579	3,388	10,459	108,722	97,209
GENERAL MOTORS	6,100	0	4,723	14,479	172,031	144,720
NAVISTAR	225	111	229	860	6,322	6,178
Total Trks., Canada	14,254	11,975	15,941	54,599	570,385	536,462
U.S., Canada Trks.	74,836	79,194	77,377	303,977	2,952,197	3,021,814

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. makers keep trucks steady for week

U.S. truckmakers scheduled production of 60,582 units last week, 1.39 percent below the previous week's 61,436 and 9.87 percent below the year-ago week's 67,219.

Year-to-date, 2,485,352 trucks have been assembled, 4.35 percent more than the 2,381,812 completed last year at this time.

Two weeks ago, Chrysler Motors reported that its Jeep plant in Toledo, Ohio, was closed for vacation; however, the plant was operating. This week's production figures reflects the adjustments in the Jeep totals.

General Motors' Janesville, Wis., plant remains down for model changeover. Production is scheduled to resume Sept. 8.

Ford Motor Co.'s Louisville, Ky., plant is slated for daily overtime this week.

Canadian cars take 60% leap

Last week's scheduled Canadian car production was nearly 60 percent higher than the prior week's build when several plants were idle for vacation.

Automakers targeted 11,100 cars last week, 59.23 percent more than the previous week's 6,971, but 22.02 percent below the year-ago week's 14,234.

So far this year, 493,261 cars have been assembled, 28.64 percent below the 691,373 completed last year at this point.

Scheduled truck production of 14,254 units last week was 10.58 percent below the prior week's 15,941 but 19.03 percent more than the year-ago week's 11,975.

Year-to-date, 536,462 trucks have been built, 5.95 percent below the 570,385 assembled last year at this time.

AM General awarded pact for 1,114 Hummers

DALLAS — AM General Division of LTV Missiles and Electronics Group has received a $33.6 million contract to produce 1,114 Hummer High Mobility Multipurpose Wheeled Vehicles for GTE Tactical Systems Division.

GTE will equip the vehicles with communications systems.

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Tent sales fuel un-civil war in South

Toyota warriors clash at state line

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Dealers from Mid-Atlantic Toyota Distributors Inc. peered out from their tent — down Battlefield Boulevard and across the Virginia border into North Carolina — and spied the enemy. It was Southeast Toyota Distributors Inc.

Near the sleepy hamlet of Moyock, N.C., the two independent Toyota distributors waged a fierce battle during the last four days of August with each side firing salvos at the other. And in the end, both claimed decisive victories.

"I think we won," said Ed Snyder, president of Checkered Flag Inc. in Virginia Beach, Va. "We sold 46 cars, gave out 750 fishing poles and diverted more than a thousand potential customers back into Virginia."

But dealers from Southeast Toyota who held a tent sale a half-mile down the street in North Carolina aren't so sure. They sold roughly 250 cars — claiming more than half were purchased by residents of neighboring Virginia, which is just outside the company's five-state distribution area.

A Southeast Toyota spokesman characterized the 1,000-car North Carolina tent sale as a huge success, saying the company will continue to plan special promotions at state lines to lure customers away from dealerships in other distribution areas.

see TOYOTA, page 6

AUTOMOTIVE NEWS JOE WILSSENS

Bieber: contract at Ford should be an "industry contract"

UAW counts on Ford to set 1987 pattern

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

In choosing Ford Motor Co. as its strike target, some say the UAW has decided it's time to recover the many concessions made since 1982.

In bargaining first with the most profitable automaker, the union apparently believes it needn't give up anything to gain job security — at least at Ford.

The union decided against grappling first with problem-ridden General Motors, whose aim of divesting itself of unprofitable operations would probably have involved more "takeaways" from the union in exchange for job security.

Joe Wilson, president of UAW Local 15, which represents the Buick-Oldsmobile-Cadillac Group's Fleetwood plant in Detroit that is scheduled to close at the end of the year, said that the improved contract the union will get at Ford will strengthen its hand with GM.

But Wilson said the union

see UAW, page 50

Problems mount; Subaru slashes import schedule

By John A. Russell and Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTERS

Subaru of America, beset by its first financial loss in more than 12 years and prospects of red ink for the entire fiscal year, is reducing its import schedule by 12,000 cars this fall in an effort to sell off a 70,000-car backlog.

That huge stockpile — as of last week, 46,000 units in distributor and dealer lots and 24,000 parked at U.S. ports awaiting shipment by Subaru of America — amounts to a 103-day supply based on the August selling rate, the highest of any Japanese importer.

Meanwhile, in Japan, the losses and other problems at Subaru of America are proving a major setback to its supplier and principal stockholder, Fuji Heavy Industries of Japan.

Koji Endo, auto analyst with Nomura Securities in Tokyo, even speculated last week about whether Fuji can survive what he called "these car wars" in the United States in the long run.

Thomas Gibson, president of Subaru of America, said the reduced shipments mean that the only 1988 models imported this fall will be those currently in short supply — the Justy, hatchback, XT and several other lower-priced models.

Monthly shipments from Fuji to Subaru will be reduced by 4,000 units to 12,000 units in October, November and December. The plan is that shipments in the following three months will be increased by 4,000 units per month.

Gibson flatly denied reports that Subaru would ask Fuji to cut production and lower its quota. "We're aiming to hit the MITI quota," he said. "We will sell our way out of it."

The deterioration in Subaru of America's performance comes, ironically, at a time when it is trying to buy out its remaining independent U.S. distributors. That action has attracted legal charges from some of those distributors, who claim Subaru is forcing them out of business by dumping unwanted cars on them.

The quota established by Japan's Ministry of International Trade and Industry falls under the voluntary restraint system of exports of automobiles from Japan to the United States. Each manufacturer has a quota of cars it can export. In Fuji's case, Gibson said it is between 190,000 and 195,000 cars.

He said the current inventory mix is 30 percent lower-priced cars (those under $10,000) and 70 percent upper-priced models (those over $10,000).

The import reduction by Subaru closely follows the announcement of a third-quarter loss of $4[illegible]8 million. The loss for the first nine months of its fiscal year was $15.1 million.

see SUBARU, page 51

FRANKFURT

German roadsters bow; they're headed for U.S.

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

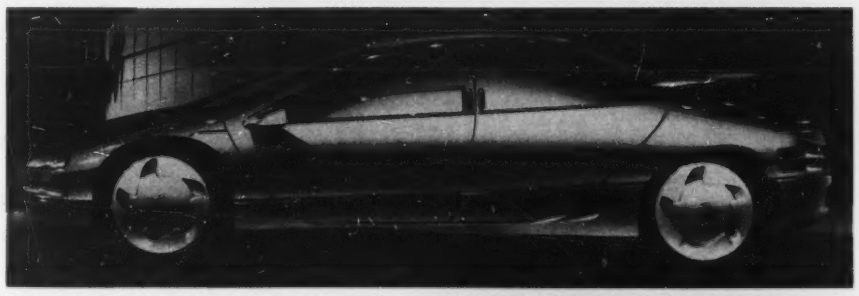
FRANKFURT, West Germany — A group of hot, new German roadsters, each aimed squarely at the American market, will debut this week at the Frankfurt auto show.

BMW, Porsche, Bitter and Treser will present sports convertible prototypes or scale models here.

Also debuting at Frankfurt this week are the Ferrari F-40, a limited-edition supercar, and BMW's 3-series-based Touring station wagons. Panther Car Co. will show a heavily revised Solo.

The Portofino, a mid-engined Chrysler concept car powered by Lamborghini, could preview a renewed Lamborghini Jalpa two-seater in 1990.

Ford is showing its HFX Ghia Aerostar, a $7 million concept vehicle developed with the comp[illegible]



Chrysler Portofino, based on the Lamborghini Jalpa, will be unveiled in Frankfurt by Lee Iacocca

March, the new Opel Senator and the Alfa Romeo 164, also will make their international debuts here.

But not everything expected to be here a few months ago will be shown. The new Mercedes SL roadster, Audi's 300 V-8, Volkswagen's Taifun/Corrado coupe and new Passat and the new BMW 5 series will all be absent, barring last-minute surprises.

The show has other attractions. Edzard Reuter, who took over as the new chairman of Daimler-Benz last week, is expected to make his first public appearance as chairman.

[illegible] Chairman Lee Iacocca will be on

see FRANKFURT, page 52

ASC's Frankfurt offering is a convertible Seat Ibiza

Import stores top domestics for first time

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

For the first time in the four decades that imported cars have been a factor in the United States, there are now more dealerships selling foreign-built cars than domestic-built cars.

On July 1, a record 23,984 dealerships were selling imported cars in the United States, and 20,331 were selling domestic cars. Most domestic dealers now handle captive makes imported by their domestic factories.

There were 4,927 dealerships selling just imports, and 19,657 dealerships selling both domestic and import makes.

In fact, Automotive News now estimates that by the end of the year, there will be fewer than 1,200 new-car dealerships that do not

see CENSUS, page 51

Labor unrest continues in Korea — Page 2

Discarded dealers battle Volvo GM — Page 3

August sales increase slightly — Page 54

First Mazda rolls at Flat Rock
The first 1988 Mazda MX-6 GT sport coupe was assembled at Mazda Motor Manufacturing (USA) Corp.'s new $550 million plant in Flat Rock, Mich., last week. The 2.7-million-square-foot plant has a capacity of 240,000 units annually. It is Mazda's first full-scale manufacturing facility outside Japan. The plant will begin building the Ford Probe next spring.

L-M de-emphasizes Merkur name

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — In a change of advertising strategy, Lincoln-Mercury Division will attempt to sell its Merkur products without referring to them as Merkurs.

The badge, which has had trouble capturing shoppers' enthusiasm, will no longer be used in L-M's national advertising for the West German imports, a spokesman said. Merkur will still appear on dealer signs, promotional materials, local advertising and the cars themselves.

The division is making the move so it can focus more attention on the individual Merkur products, the XR4Ti sport coupe and the Scorpio luxury sedan, said the spokesman. With the debut of the Scorpio in May, there are two cars in the Merkur franchise for the first time.

Until then, Merkur had been largely synonymous with the XR4Ti. The car, which was introduced in 1985, never met L-M's expectations. And so far this year sales are down 42 percent from last year's levels.

The Merkur name, meanwhile, has been the target of second-guessers who find the word difficult to pronounce and easy to forget. Merkur means Mercury in German.

"I wouldn't shed a tear if we started calling it a Ford product that was manufactured in Germany," said one dealer.

L-M officials have defended the name while conceding that they've learned some lessons from the XR4Ti launch. Some were applied to last May's introduction of the Scorpio, and so far the car is doing well.

In just over three months, Merkur dealers have sold more than 3,500 Scorpios. L-M had predicted sales would be in the 5,000 to 7,000 range by the end of the year.

"We have realized that it takes a lot longer than we expected to establish the name for a franchise," the spokesman said. "We also believe that the Merkur name will be helped by the addition of the Scorpio to the franchise."

Discarded dealers battle Volvo GM

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Volvo GM Heavy Truck Corp. has unleashed a torrent of bitterness and legal action by many Volvo White and GMC dealers slated to lose their heavy-truck franchises Dec. 31.

The rancor even includes some dealers who are being retained, but feel the new company has done a poor job of carving up its franchise territories.

Volvo GM Heavy Truck will begin operation Jan. 1, with about 250 out of 550 previous franchise holders.

Among those being canceled are some of Volvo White's oldest, strongest-performing and most loyal dealers.

"We probably got as good a screwing as anybody on the planet," said Benjamin Lucas, a principal in Lucas Truck Sales in Charlotte, N.C., who plans a court fight for his franchise. He lost out to a local GMC/Peterbilt dealer.

Lucas was Volvo White's largest dealership in 1981, 1984 and 1985; and, according to Lucas, "possibly their largest privately owned dealership (excluding factory branches) since 1981."

"We were assured from the beginning, from the lowest guy (at Volvo) to the top guy, we'd be the dealer" in the Charlotte market, Lucas said. "After months of negotiations, without any negatives thrown at us, they sent in two guys who had never been involved before and dropped a one-page form letter on the desk, with absolutely no reason for the cancellation."

In Las Vegas, Nev., Ivan B. Cannon recited a litany of turmoil he survived in the heavy-truck business over the past 10 years, including White's divorce from Freightliner, its subsequent bankruptcy and its purchase by Volvo.

"I survived everything — except this," Cannon lamented, adding that his Vegas Truck Center is losing its franchise to Desert GMC.

"I delivered White a far higher share of market in my AOR (franchise territory) than they ever had nationally," Cannon said, claiming a 23 percent Class 8 share in his area based on first-half orders this year and registrations for competitors.

"I've also given them the largest share of the parts business that any OEM gets in my area," he said. "I built and equipped and staffed the largest and most modern Class 8 facility in Southern Nevada. We took on White when they were dead last, and now they're in the best position of anyone in this area, except (market leader) Harvester."

Cannon said he plans to appeal to the Nevada Department of Motor Vehicles in a hearing scheduled for Oct. 3.

Larry Carter, owner of Desert GMC, Las Vegas, and GMC line representative for the Natonal Automobile Dealers Association's American Truck Dealers Division, said he feels Volvo GM made a "fair decision" in 95 percent of cases, that it "probably chose what were the best dealers in the area in most cases," and that it is all simply a "survival of the fittest."

Said Carter, "We wanted fewer dealers. How do you protect the dealer who's been canceled?"

But another dealer countered

see VOLVO GM, page 50

Chrysler seeks content requirement for subzone vehicles

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Chrysler Corp. has asked the Department of Commerce to impose domestic-content requirements on all users of foreign trade subzones. Chrysler took the action despite the fact that it operates seven subzones covering automobile assembly and automotive electronic plants in the United States.

Robert A. Perkins, Chrysler vice president of Washington affairs, made the request Aug. 28 in a letter to Commerce officials.

Every auto assembly plant in the United States is either covered by a foreign trade subzone or has an application pending. Subzones have the effect of reducing tariffs paid on imported vehicle parts.

Diamond-Star Motors, a joint venture between Chrysler Motors and Mitsubishi Motors Corp., has also applied for a foreign trade subzone. Perkins said Chrysler supports Diamond-Star's application, but added, "We would expect to follow any new policies or standards the (Commerce Department) establishes for trade zones, including those in which Chrysler has an interest."

"It has become obvious to Chrysler that we and other domestic manufacturers are being and will continue to be placed at a competitive disadvantage vis-a-vis foreign transplants unless some changes are made in the criteria for operating subzones," Perkins said.

He said Chrysler suggests "implementing a public interest evaluation program for foreign trade zones and establishing simple domestic-content criteria for the operation of existing and future foreign trade zones."

The letter was filed as part of the public record on the application of Toyota Motor Manufacturing, U.S.A., for a foreign trade subzone in Georgetown, Ky., where Toyota is building an assembly plant. The Commerce Department's Foreign Trade Zones Board is expected to rule on Toyota's application this fall.

Perkins said an Aug. 12 public hearing on Toyota's subzone application provided strong evidence that if the application is approved, Toyota will enjoy a significant per-vehicle cost advantage over Chrysler and other domestic manufacturers.

"Chrysler Motors estimates the benefit of its foreign trade zone operations to be worth $5 per vehicle, on average, for vehicles produced in subzones," Perkins said. "By comparison, Toyota states its benefit will be in the $30 to $40 range.

"If the Toyota application is granted," he said, "Toyota will be rewarded for its high imported content vis-a-vis Chrysler and other North American-based manufacturers, whose high-levels of North American content have contributed to employment not only at its own North American plants, but to the large North American parts industry, which supplies our assembly plants."

The letter said, "Chrysler urges the Foreign Trade Zones Board to consider requiring a minimum domestic content requirement for all vehicles shipped from a subzone.

"Such a limit would have a positive influence on creating domestic jobs and prevent a company from making hollow promises of domestic content while controlling within their corporate structures the definition of 'domestic content' to fit their own ends."

Perkins suggested that the U.S. government adopt as simple a domestic-content definition as possible, perhaps limiting it to the actual value of domestically produced parts and components.

Toyota has made conflicting claims about the amount of U.S. content in cars that will be assembled in Kentucky, Perkins said.

He said that although Toyota officials have told the U.S. government the vehicles will contain 60 percent U.S. content, a recent Japanese press report quoted a Toyota official as saying, "We have not calculated the ratio of auto parts we will procure from U.S. makers alone to all car components used at the Georgetown plant."

The Toyota official said that the 60 percent domestic-content figure applies only to those components the company does not make itself, such as tires and headlamps.

Perkins said, "These kinds of conflicting statements, when added to the uncertainty of whether other transplant manufacturers have or will accomplish a true high domestic content in subzones, cause Chrysler to make these comments."

In another action last week, Chrysler applied for foreign-trade-subzone status for five parts plants in the Detroit area.

Chrysler said the plants employ approximately 4,800 workers.

In its application, Chrysler claimed that tariffs on components imported for use at the parts plants are as high as 11 percent. Foreign trade subzone status would drop the tariffs to 2.5 percent when the parts are used on automobiles sold in the United States.

GM wants trade subzone status for Michigan luxury-car plants

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors has applied for foreign trade subzones covering its Detroit-Hamtramck and Orion Township, Mich., plants.

GM's Detroit-Hamtramck plant assembles the Cadillac Eldorado, Seville and Allante, the Buick Riviera and the Oldsmobile Toronado. Orion Township builds the Cadillac DeVille and the Oldsmobile 98. Employment is 4,900 at Detroit-Hamtramck and 7,000 at Orion Township.

GM said both plants import about 2 percent of their parts and components. The foreign items include radios and cassette players, wiring harnesses, instrument panel pads and steering wheels, according to the application. The Allante body is imported; it is made by Pininfarina of Italy.

Subzone status would allow GM to defer duty payments on the imported items until they are shipped from the factory, either individually or as part of a finished vehicle. Imported components that are used for vehicle assembly will be subject to a tariff of 2.5 percent rather than the average duty rate of 4.3 percent on foreign parts. There is no tariff on cars or parts that are exported.

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7-million Chrysler recall sought

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Center for Auto Safety has asked NHTSA to investigate and recall 7 million 1978-87 Chrysler front-wheel-drive vehicles.

Included are vehicles for which Chrysler has issued "driveability kits." The center said the kits usually contain carburetor, fuel line or computer sensor components to overcome engine problems.

The center asked the safety agency to reopen an earlier analysis of engine performance problems in 1978-84 Chrysler fwd cars. NHTSA had found reports of stalling in one out of every 700 cars, and the agency dropped the investigation last December.

The center noted that during an expanded investigation of stalling in Chrysler cars, NHTSA had asked the company to recall two million 1978-82 models for faulty carburetors. Chrysler refused, and NHTSA later closed its investigation.

Since then, the center said, it has received 1,300 complaints of stalling in those vehicles. The center has asked NHTSA to require that Chrysler send defect notification to owners of vehicles that exceed the eight-year statute of limitations for a recall.

In its December 1986 closing memo, NHTSA noted that Chrysler had replaced 4,700 carburetors for a cold stalling problem.

A Chrysler spokesman said that during the NHTSA probe into stalling in 1978-84 Chrysler cars, the incidence of reported stalling was only about one for every 1,000 cars. The investigation was conducted from September 1984 to December 1986.

During that period, Chrysler told NHTSA of 17 reports of accidents allegedly caused by engine stalling.

Chrysler noted that engines sometimes stall because of poor quality fuel, lack of proper maintenance or vehicle misuse. It said its frequency is about the same as for vehicles made by competitors.

The company added that introducing electronic fuel injection on some engines has brought a significant improvement in driveability since the 1983 models and a "marked reduction in complaints."

The center said that all pre-1983 Omni/Horizon cars plus other 1981-82 Chryslers with 2.2-liter engines are covered by a service kit containing aluminum carburetor spacer plates, or "isolators." The original rubber isolators could deteriorate and cause stalling.

The following were cited by the center:

- Fuel foaming and vapor lock: 1981-1985 cars and 1985-1987 Dodge Caravan and Plymouth Voyager.
- Carburetor icing: 1981-1983 cars with 2.2-liter engines and 1984-1987 minivans with 2.6-liter engines.
- Driveability problems: 1981, 1982 and 1983 cars with 2.6-liter engines; all 1984 cars; 1984 minivans with 2.6-liter engines; 1985 cars with 2.2-liter and 2.6-liter (California) engines; all 1985 minivans; 1986 cars with 2.2-liter engines; 1986 minivans with 2.6-liter engines; 1986 minivans with 2.2-liter engines and manual transmissions; 1987 cars with 2.2-liter and 2.5-liter engines; 1987 minivans with 2.6-liter and 3-liter engines; and 1987 minivans with 2.2-liter engines and manual transmissions.

AUCTION DATES

American Motors

Sept. 8 — D-A Auto Auction, New Stanton, Pa.

Sept. 9 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Sept. 10 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Wolfe's Evansville Auto Auction, Evansville, Ind.

Sept. 11 — St. Louis Auto Auction, St. Louis

Sept. 15 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 16 — Columbus Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Sept. 17 — Corry Auto Auction, Corry, Pa.

Sept. 22 — D-A Auto Auction, New Stanton, Pa.

Sept. 23 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Sept. 25 — St. Louis Auto Auction, St. Louis

Sept. 29 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Chrysler Corp.

Sept. 8 — NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Sept. 9 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Sept. 10 — Fredericksburg Auto Auction, Fredericksburg, Va., and Aptco Auto Auction, Taylor, Mich.

Sept. 11 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Sept. 9 — Lakeland Auto Auction, Lakeland, Fla.

Sept. 10 — Dallas Auto Auction, Grand Prairie, Texas; Minneapolis Auto Auction, Plymouth, Minn.; Southwest Auto Auction, Phoenix, Ariz.; Bay Cities Auto Auction, Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

Sept. 16 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

Sept. 17 — 166 Auto Auction, Springfield, Mo.

Sept. 23 — Columbus Fair Auto Auction, Obetz, Ohio, and Lakeland Auto Auction, Lakeland, Fla.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; Bay Cities Auto Auction, Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

General Motors

Sept. 9 — Indianapolis Auto Auction, Indianapolis

Sept. 15 — Florida Auto Auction of Orlando, Ocoee, Fla., and Harrisonburg Auto Auction, Harrisonburg, Va.

Sept. 16 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Sept. 17 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston, Texas; and Nashville Auto Auction, Nashville, Tenn.

Sept. 22 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Sept. 23 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; Southern California Auto Auction, Fontana, Calif.; and Indianapolis Auto Auction, Indianapolis

Sept. 24 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Used Car Sales
Auction Averages

Sept. to date	$6,065
Month ago	$6,045
Year ago	$5,234

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,632	$11,726	$11,512
1986	$8,900	$8,934	$9,032
1985	$7,375	$7,385	$7,394
1984	$5,758	$5,754	$5,756
1983	$5,004	$5,016	$5,081
1982	$3,644	$3,648	$3,684
1981	$2,621	$2,632	$2,642
1980	$2,062	$2,072	$2,068
Overall Average	$6,065	$6,070	$6,030

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TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 1 PM. Mid-South's newest auto auction.

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AUCTION NEWS

Southwest Auto Auction has broken ground for a new headquarters in Chandler, Ariz.

The facility's 55-acre parcel is expected to be developed by early 1988. Plans call for a 25,000-square-foot building that will house eight auction lanes, general offices and a restaurant. In addition, a separate 15,000-square-foot structure will provide appearance reconditioning services, including a body shop.

Southwest Auto Auction, currently in Phoenix, was acquired by Manheim Auto Auctions, Atlanta, in October 1983.

The recent 2nd annual **Monterey Vintage Sports & Race Car Auction** raised $52,000 for the Children's Services Center of Monterey, Calif. The auction sold $4.4 million worth of cars, with 82 percent of entered cars sold.

Ferrari models brought the top dollar, including: a 1971 Daytona Spyder, $490,000; a 1967 275/365 GTB/4 prototype, $455,000; a 1967 365 GTB/4, $300,000; and a 1967 275 GTB/4 $255,000.

GE Credit Corp. has acquired auto auctions in San Antonio and Fort Worth, Texas. The two auctions had combined sales last year of 50,000 units. GE Credit, headquartered in Stamford, Conn., now owns 13 auctions with anticipated annual sales of 450,000 units. GE Credit has assets in excess of $26 billion.

IMPORT FRANCHISES

	July 1, 1987	Jan. 1, 1987
JAPAN	19,636	19,326
Chevrolet	4,935	5,000
Chrysler captives	3,094	3,064
Plymouth captives	3,065	3,033
Dodge captives	2,997	2,960
Nissan	1,108	1,109
Toyota	1,086	1,087
Honda	907	900
Subaru	807	801
Mazda	783	771
Isuzu	541	338
Acura	179	150
Mitsubishi	134	113
KOREA	4,517	161
Pontiac captives	2,975	—
Ford captives	1,356	—
Hyundai	186	161
WEST GERMANY	3,187	3,201
Volkswagen U.S.	878	878
Merkur	738	744
Mercedes-Benz	422	422
BMW	420	423
Audi	409	412
Porsche	320	322
MEXICO	2,754	—
Mercury captives	2,754	—
FRANCE	1,515	272
Renault	1,245	—
Peugeot	270	272
SWEDEN	775	773
Volvo	414	414
Saab	361	359
ITALY	414	432
Bertone	150	150
Alfa Romeo	146	158
Maserati	67	73
Ferrari	42	42
Lamborghini	9	9
UNITED KINGDOM	510	503
Sterling	169	153
Jaguar	154	160
Lotus	65	65
Rolls-Royce/Bentley	58	59
Aston Martin/ Lagonda	14	16
TVR	50	50
YUGOSLAVIA	312	260
Yugo	312	260
MISCELLANEOUS	15	15
TOTAL	33,635	24,943

CENSUS

FROM PAGE 1

sell at least one import make.

That benchmark coincides with the 10th anniversary of Henry Ford II's statement to reporters that imports were in for "one helluva battle" from the domestics.

"We'll push them right back to the shores," he said on Sept. 1, 1977, at Ford's 1978 national new-model press conference.

The old import-outlet record was 17,100 on Jan. 1, 1979, a little more than a year after Henry Ford's battle cry.

The latest Automotive News import dealer census shows that the number of dealerships handling imported cars rose 40.31 percent in the first six months of the year — chiefly because of imports introduced by Ford Division (Festiva), Mercury (Tracer), Pontiac (LeMans) and American Motors (Renault Medallion). The Jan. 1 total was 17,093.

The total number of import-make franchises rose 34.85 percent in the six-month period — to 33,-635 from 24,943 — again, chiefly because of the new captive imports.

The franchise total and the dealer total differ because of dualing — two or more franchises often are combined in a single outlet.

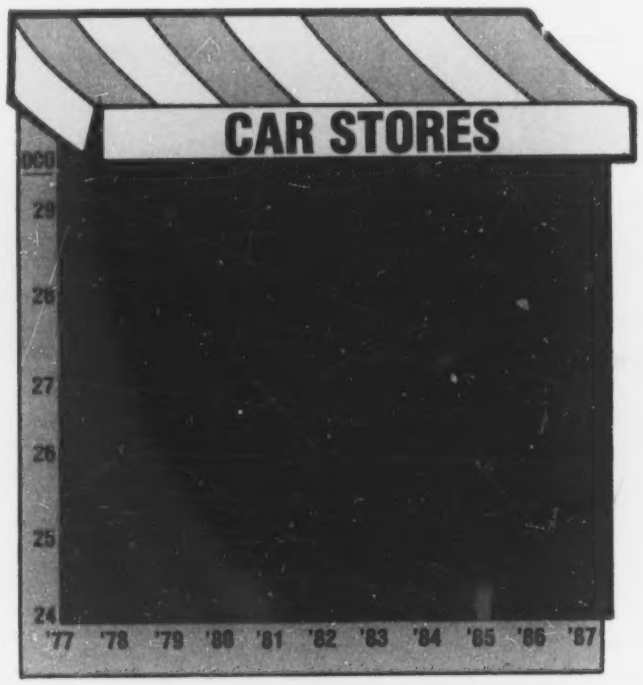
All 2,975 Pontiac dealers now sell the Korean-built LeMans. All 2,754 Mercury outlets sell the Mexican-built Tracer. Only 738 Lincoln-Mercury dealers also had the Merkur franchise on July 1.

The number of import outlets will continue to grow as Daihatsu begins operations and as Nissan and Toyota finalize plans for second, premium-make franchises.

Adding to that growth will be Ford: A total of 1,358 Ford Division dealers had Festiva on July 1, but by October the division plans to extend Festiva to all of its 4,600 U.S. dealers.

That means that of the 10 traditional American domestic marketing units, only Oldsmobile, Buick and Cadillac divisions will not have captive imports to sell. But many of those dealers are dualed with Chevrolet or Pontiac, thus giving them a captive, or they handle an independent import make.

The first-half-1987 addition of the Pontiac, Mercury and Ford captives also altered the ranking of source nations, catapulting Korea to second place, inserting newcomer Mexico into third place and pushing West Germany into fourth.



IMPORTED-CAR RETAIL OUTLETS

	July 1, 1987		Jan. 1,† 1987	
Imported cars only:				
Exclusives	3,661		3,497	
Duals	1,266		1,254	
		4,927		4,751
Import-domestic duals:				
Domestics with captive imports	17,492		10,645	
Domestics with other imports	1,565		1,697	
		19,057		12,342
Total imported-car dealers		23,984		17,093

†Revised.

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Also in the first half of 1987, 36 dealers acquired Range Rover franchises, although those numbers are not reflected in the totals because Ranger Rover is not classified as a passenger car.

Among the imports, Mitsubishi, Acura and Hyundai remained the only franchises with totally exclusive dealership outlets.

Despite recent dealer network troubles, mostly in the Pacific Northwest, Nissan remained the non-captive import leader with 1,-108 franchises in the continental United States on July 1. Toyota continued to be a close second with 1,086 in the continental United States. Both totals exclude Hawaii, where the two Japanese makes use separate, independent distributors.

The number of Japanese-make import franchises rose 1.60 percent in the first six months of the year, largely due to gains by the still-developing retail networks at Isuzu, Acura and Mitsubishi.

Elsewhere, franchise declines by BMW, Audi, Merkur and Porsche cut the West German total 0.44 percent.

Two new Saab franchises pushed the Swedish total up slightly.

Declines by Alfa Romeo and Maserati dropped the Italian total 4.17 percent.

The reintroduction of Renault as an import boosted the franchise total for French makes despite the loss of 15 franchises by Peugeot.

Meanwhile, a gain by the still-growing Sterling organization pushed the United Kingdom total up 1.39 percent, despite fewer franchises at Jaguar, Rolls-Royce/ Bentley and Aston Martin Lagonda.

Yugo's developing organization added 52 franchises in the first half of the year, boosting Yugoslavia's total 20 percent, while the addition of Pontiac and Ford captives and the growth of Hyundai fattened South Korea's total an astronomical 2,705.59 percent.

SUBARU

FROM PAGE 1

Problems hit Subaru for the first time this year, just as they hit other marketers of Japanese automobiles. A rise in the value of the yen against the dollar, making Japanese cars more expensive, came at a time of generally increased competition and incentives in the marketplace.

Once, Subaru of America could do no wrong, either in the marketplace or on Wall Street. From 1975 to 1986, steady sales increases were the norm.

In 1975, it sold 41,587 vehicles. But the real glory years started in 1977, when it nearly doubled sales over the previous year to 80,826. Sales increased steadily until they reached an all-time high of 183,242 last year.

For the first seven months of this year, the company sold 91,950 units compared with 107,031 in the same period of 1986. At the beginning of August, Subaru also had about 70,000 cars, which was a 126-day supply, based on the slower July selling rate.

The latest filings at the Securities and Exchange Commission indicate that the value of Subaru of America's inventory soared from $78.6 million at the end of October last year to $133.3 million at the end of April this year.

The company's stock price kept climbing until May 1986, when it was split eight for one. For 12 years, Subaru had not reported a quarterly loss — until two weeks ago.

The losses were not surprising to analysts on Wall Street, however. Most expected a loss, but not the amount that was reported.

Scott Merliss, auto analyst for Morgan Stanley, said, "When any company joins the rebate game, earnings can disappear overnight."

Subaru has been heavily in the rebate game. To move product, it has various incentives, with up to $1,500 in rebates on selected models. It also is offering financing of 3.9 percent.

Those incentives are costly. Gibson said the company has spent $72 million to date — and this is only Subaru's share.

Independent distributors have been taking things into their own hands, too. Ernie Boch, president of New England Subaru, said he is offering the $1,500 incentive and 3.9 percent financing as well as extended warranties at no charge.

At Subaru South, based in Little Rock, Ark., John Matt, president, said sales are down 20 percent. He is offering incentives to dealers, salesmen and sales managers to spark sales.

Subaru got into the rebate game because of the present richness of its model mix. Historically, Subaru's advertising tagline was, "Inexpensive and built to stay that way."

But this year, the bulk of the model mix was the in GL lines, which carry many accessories. That quickly boosted prices, generally to over $10,000 and in many cases to $12,000-$15,000.

Boch, whose New England territory accounts for 20 percent of Subaru sales, said the "management got greedy."

Gibson and other executives agreed that the model mix was too rich. The model mix has to be adjusted, so that Subaru "returns to its roots" with less expensive cars.

Gibson said last year at introduction time that the model mix was 15 to 20 percent under $10,000 cars, and the balance in the upper end.

This year, he is looking for a more even split, with as much as 55 percent in the lower price range. Dealers will see some of the lower-priced, and short-supply cars, in November.

That is the strategy until at least the beginning of next year, when Gibson anticipates the 1987 inventory will be cleared out.

However, Wall Street analysts view Subaru's situation as unique in many respects. Subaru of America is not a subsidiary of the manufacturer. While Fuji Heavy Industries is the chief shareholder with 49.7 percent, Subaru of America is an independent company traded on the stock exchange.

According to Ann Knight, auto analyst for Paine Webber, Subaru is being squeezed from two directions.

First, there is Fuji and its desire to increase prices, to move upscale to balance the declining dollar against the yen and to retrieve higher production costs.

On the other side is the marketplace, which will not accept Subaru's higher priced cars.

While Subaru has been fighting a losing sales war — it is running 14 percent behind last year's pace — its remaining independent distributors have expressed their displeasure.

Four recently joined in litigation against Subaru of America, claiming the company was forcing too many cars on them. While the suit was dropped (Automotive News, Aug. 17), a key point was that Subaru was forcing independent distributors into a financial situation where Subaru could buy them out at a low price.

Subaru has been steadily buying its independent distributors. The network of 13 distributors was reduced to five independents last week when Subaru of America acquired Denver-based Inter-Mountain Subaru.

While buyout prices have not been announced, each has been described as being "in excess of $10 million."

Gibson denied the allegations that the buyouts were part of a plot to force the distributors out of business.

The money for the purchases comes from a cash surplus built up by Subaru during the good years. Last week, Subaru said that cash in hand was $235 million.

Filings with the Securities and Exchange Commission indicate that Subaru of America has a $525 million line of credit with 14 banks through June 1988.

The third-quarter loss was attributed not to the buyouts, but to the cost of incentives and to exchange rates between the dollar and the yen.

The importance of Subaru of America to Fuji Heavy Industries should not be underestimated. Although Fuji also makes airplanes and trains, its major profit base — 80 percent — is in cars. And up to 80 percent of its car business is in the U.S. market.

As a result, Nomura's Endo said, the company does not have many alternatives to compensate for the losses.

Analysts believe, however, that the company is ready to offer a financial plan to increase income. That may not happen immediately, however, since the present financial environment in Japan is not regarded as ideal, but a move is expected within the next 12 months.

The loss in profits combined with the increase in capital investment due to the joint U.S. venture with Isuzu, has put pressure on Fuji. That venture is an assembly plant in Indiana.

In June, Fuji forecast a net profit of 8 billion yen ($56.7 million) for the current fiscal year. Analysts now say the company will come up short, perhaps as much as 10 percent.

The situation in the American market, for Subaru in particular, is perceived in Tokyo as "much worse than expected."

All of this may affect the joint venture with Isuzu.

For Fuji Heavy Industries, Endo said, the operation "cannot fail." He is confident the company will put up enough cash to make it work.

But analysts noted that if Subaru of America is having problems selling the product now, an increase in production will not make the task any easier.

SALES

DOMESTIC CAR SALES

	Aug. 21, to Aug. 31, 1987	Same Period, 1986	Aug. 1987	Same Month, 1986	Jan. 1 to Aug. 31, 1987	Same Period, 1986
Alliance	0	0	2,303	5,221	18,670	41,212
Eagle	0	0	292	348	2,800	4,749
Total Eagle	1,465	2,769	2,595	5,569	21,470	45,961
Horizon	387	3,671	1,236	10,577	38,272	75,532
Sundance	2,565	774	6,776	2,144	54,795	2,794
Turismo	626	2,100	1,526	4,885	14,630	31,223
Reliant	2,002	3,484	4,646	7,433	64,014	87,573
Caravelle	1,239	899	2,783	1,907	25,634	25,425
Gran Fury	278	572	755	1,436	5,333	11,538
Total Plymouth	7,097	11,500	17,722	28,382	202,678	234,085
Laser	0	1,211	0	2,522	4,308	20,263
LeBaron K	2,079	3,602	5,431	7,539	40,986	68,305
LeBaron J	5,224	0	11,697	0	49,177	0
LeBaron GTS	970	2,946	2,389	6,144	23,020	43,962
Fifth Avenue	2,675	5,072	6,560	10,855	32,639	69,890
New Yorker E	1,965	2,630	4,741	5,274	39,070	36,666
Total Chrysler	12,913	15,461	30,818	32,334	189,200	239,086
Omni	268	3,522	898	9,744	30,798	65,302
Shadow	2,396	745	6,523	2,090	52,354	2,693
Charger	547	2,355	1,345	5,427	18,310	34,012
Daytona	1,636	1,565	4,230	3,504	25,021	27,675
Aries	2,372	3,154	4,794	7,088	60,964	67,134
Lancer	695	2,102	1,767	4,296	17,572	32,033
Diplomat	556	1,556	1,445	3,439	8,304	21,872
Dodge 600	1,443	1,947	3,018	4,265	24,840	43,163
Total Dodge	9,913	16,946	24,021	39,853	238,163	293,884
CHRYSLER MOTORS	31,388	46,676	75,156	106,138	651,511	813,016
Escort	14,552	15,668	39,422	34,731	264,452	265,334
Mustang	4,108	5,637	12,537	14,652	123,075	122,527
Tempo	5,181	9,035	15,152	21,756	160,429	171,579
Taurus	12,042	5,965	33,549	15,889	239,004	137,575
Thunderbird	5,083	5,745	14,270	12,681	88,674	97,646
LTD	0	238	0	719	0	22,286
Crown Victoria	2,527	3,688	7,814	10,215	82,732	89,577
Total Ford Div.	43,493	45,976	122,744	110,643	958,366	906,524
Lynx	3,075	2,556	7,665	5,708	46,252	44,139
Topaz	1,794	1,828	4,630	4,884	46,760	43,764
Sable	4,131	2,223	11,135	5,680	67,808	59,461
Cougar	4,790	5,447	12,803	12,183	77,189	84,949
Capri	0	464	2	1,133	0	8,963
Marquis	0	119	0	311	2,510	9,561
Grand Marquis	3,299	3,863	9,931	10,092	77,511	78,679
Total Mercury	17,089	16,500	46,164	39,991	318,030	329,516
Continental	333	548	989	1,308	9,516	12,448
Lincoln	4,677	3,016	10,689	8,533	80,608	76,445
Mark VII	923	620	2,238	1,555	17,797	13,514
Total Lincoln	5,933	4,184	13,916	11,396	107,921	102,407
Total L-M Division	23,022	20,684	60,080	51,387	425,951	431,923
FORD MOTOR CO.	66,515	66,660	182,824	162,030	1,384,317	1,338,447
Skyhawk	1,451	3,484	3,843	6,711	25,982	47,525
Skylark	0	0	0	0	0	2,522
Somerset Regal	2,516	3,907	6,786	7,533	49,348	82,055
Century	6,142	10,809	15,350	21,111	100,703	160,329
Regal	1,186	2,875	4,063	5,640	35,788	54,921
LeSabre	6,175	7,131	17,844	13,085	97,770	76,895
Electra	3,217	3,499	8,467	6,496	51,508	75,470
Riviera	306	1,716	832	3,460	12,898	13,264
Total Buick	20,993	33,421	57,185	64,036	373,997	512,981
Cimarron	556	1,466	1,488	2,556	9,373	15,441
Allante	82	0	224	0	1,544	0
Seville	431	1,205	1,041	2,128	14,839	10,846
Cadillac	9,782	10,435	24,045	19,310	134,957	152,061
Eldorado	644	1,618	1,592	2,832	13,857	14,598
Total Cadillac	11,495	14,724	28,390	26,826	174,570	192,946
Chevette	123	1,685	363	3,763	16,345	45,748
Nova	5,137	11,955	14,029	24,702	108,865	116,796
Cavalier	8,968	11,315	24,806	25,004	214,409	261,623
Citation	0	8	0	27	0	1,052
Camaro	3,953	6,038	11,090	13,214	89,661	122,829
Celebrity	8,186	14,498	23,101	31,379	219,785	278,991
Corsica/Beretta	11,164	0	30,272	0	134,630	0
Monte Carlo	2,044	4,995	5,884	10,154	43,739	74,245
Chevrolet	7,137	7,207	19,039	15,701	123,374	155,363
Corvette	616	1,008	1,827	2,176	17,052	23,249
Total Chevrolet	47,328	58,709	130,411	126,120	967,860	1,079,896
Firenza	642	1,388	1,609	2,547	11,404	24,929
Calais	3,792	4,989	10,684	10,040	74,674	84,538
Cutlass Ciera	10,374	15,638	26,322	29,120	174,060	226,126
Cutlass Supreme	2,106	6,521	6,199	13,068	72,632	144,797
Olds 88	6,989	18,094	19,469	30,504	123,932	168,631
Olds 98	2,813	3,677	7,390	6,656	47,377	77,297
Toronado	280	845	852	1,450	12,280	9,630
Total Oldsmobile	26,996	51,152	72,525	93,385	516,359	735,948
Fiero	1,286	3,247	3,384	6,222	33,469	49,300
1000	59	815	154	1,556	4,482	13,126
Sunbird	2,469	3,194	6,932	6,487	59,150	77,270
Firebird	2,378	3,694	6,757	7,472	56,083	68,653
Grand Am	5,684	6,533	18,372	13,876	150,567	136,019
6000	3,459	11,383	9,009	21,535	82,119	129,162
Bonn./Gr. Prix	338	1,438	860	2,826	10,760	28,134
Grand Prix	0	1,406	0	2,595	0	27,158
Parisienne/Bonn.	4,124	2,206	11,119	4,504	72,464	52,974
Total Pontiac	19,817	33,916	56,587	67,073	469,094	581,796
GENERAL MOTORS	126,629	191,922	345,098	377,440	2,501,880	3,103,567
VOLKSWAGEN	2,559	3,093	4,799	6,453	45,313	51,946
HONDA	13,757	12,600	29,741	21,201	210,839	129,471
NISSAN	6,281	29	12,856	49	86,603	25,510
TOYOTA	1,744	0	3,500	0	25,071	0
DOMESTIC TOTAL	248,873	320,980	653,974	673,311	4,907,534	5,461,957
IMPORT TOTAL			308,641	278,498	2,049,751	2,090,496
INDUSTRY TOTAL			962,615	951,809	6,957,285	7,552,453

Import gain hikes August sales

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Despite a wide range of incentives during the month, August sales of U.S.-built cars failed to match the year-ago total.

But a hefty increase in sales of imported cars pushed the overall total above the 1986 figure.

Total August sales of U.S.-built and imported cars edged up 1.14 percent to 962,615, compared with last August's 951,809. Two years ago, the August count was 1,075,171.

August's total rose 5.54 percent above July's 915,830 units.

Domestic car sales slipped 2.87 percent to 653,974 units, compared with last year's 673,311. Of the Big 3, Ford Motor Co. was up; General Motors and Chrysler Motors were down.

Import-car sales rose 10.82 percent for the month with a total of 308,641 compared with 278,498 last year. Imports accounted for 32.06 percent of the August market this year.

In terms of market share for August, GM had 35.85 percent; Ford, 18.99 percent, and Chrysler (including Eagle Division), 7.81 percent. Honda's share was 3.09 percent; Nissan's was 1.34 percent, and Volkswagen's was 0.50 percent. Toyota had 0.36 percent of the domestic market. Imports accounted for 32.06 percent.

Aug. 21-31 sales of domestic cars dropped 22.46 percent to 248,873 units, compared with 320,980 in the 1986 period. There were nine selling days in each period.

The selling rate in August averaged 25,153 units per day this year, compared with 25,896 a day in 1986. There were 26 selling days in the month in both 1986 and 1987.

Only one of the Big 3 reported a sales gain in August. Ford Motor Co. was up 12.83 percent over last year.

General Motors boasted of record sales for its 1988 Chevrolet Corsica/Beretta in August, and Cadillac also set a record. But GM's overall sales declined 8.87 percent from 1986. Chrysler Motors' sales, including Eagle Division estimates, dropped 29.19 percent.

Honda reaped a 40.28 percent increase in August compared to last year. Nissan sales rose to 12,856 from 49 a year earlier when the Smyrna, Tenn., plant was down for model changeover. More inventory and aggressive promotions boosted Toyota sales to 3,500 units in August; it was not selling U.S.-built cars a year ago. Volkswagen reported a 25.63 percent drop for the month.

Last year's excitement over incentives at the end of August didn't carry over for domestic manufacturers in this year's final 10 days. GM sales dropped 34.02 percent.

"Although sales were strong from Aug. 21-31, they were below last year because the comparable period included the explosive Aug. 28 kickoff of GM's 2.9 APR financing incentive," said C.N. "Bud" Moore, vice president, GM Customer Sales and Service Staff.

Ford's rosy sales glow ebbed by 0.22 percent in the final 10 days. Chrysler sales, including Jeep/Eagle products, were off 32.75 percent from the comparable period in 1986. However, Chrysler sold more cars in the final period than it did in the first or mid-month 10-day periods.

Honda's sales rose 9.18 percent and Nissan reported selling 6,281 cars compared to 29 a year ago. Toyota sold 1,744 cars in the last 10 days. Volkswagen was down 17.26 percent.

As noted, imports accounted for 32.06 percent of August's sales. Japanese automakers had more inventory, and European automakers like BMW and Mercedes introduced incentives for consumers and at the dealer level.

Isuzu reported a 73.83 percent surge in August car sales for an all-time monthly sales record. Subaru, working from a high inventory and buoyed by incentives, also reported its best August on record with a gain of 31.5 percent over last year. Hyundai also had stellar August sales, reporting a 28.90 percent rise in Excel sales compared to last August.

Where the U.S. market was Aug. 1987

	Total Sales	Pct. of Total
SUBCOMPACT	137,251	14.26
COMPACT	107,507	11.17
INTERMEDIATE	255,054	26.50
STANDARD	87,416	9.08
LUXURY	66,746	6.93
IMPORT	308,641	32.06
TOTAL	962,615	100.00

U.S. CAR SALES BY MARKETING UNITS

	Aug. 1987	Aug. 1986	8 Mos., 1987	8 Mos., 1986
Alfa Romeo	523	1,030	4,575	4,901
American Honda	63,530	58,291	463,865	417,460
BMW	8,057	8,016	58,915	62,666
Buick	57,185	64,036	373,997	512,981
Cadillac	28,390	26,826	174,570	192,946
Chevrolet	145,746	140,247	1,055,683	1,185,743
Chrysler	31,888	32,368	197,593	239,120
Dodge	30,192	45,724	279,149	339,132
Eagle	3,977	5,897	29,790	48,577
Ford	127,916	110,643	968,895	906,524
Hyundai	26,850	20,689	184,378	92,775
Isuzu	5,874	3,379	27,179	21,664
Jaguar	2,084	1,676	14,148	15,325
Lincoln	13,916	11,396	107,921	102,407
Maserati	60	50	480	978
Mazda	20,756	16,880	130,365	136,993
Mercedes	7,483	7,265	60,003	58,263
Mercury	48,646	41,130	327,567	339,834
Mitsubishi	6,351	4,776	47,482	31,973
Nissan	46,603	47,856	368,481	362,368
Oldsmobile	72,525	93,385	516,359	735,948
Peugeot	793	1,040	6,086	8,810
Plymouth	23,482	34,070	239,885	276,136
Pontiac	66,097	67,073	487,907	581,796
Porsche	2,137	2,956	17,013	20,661
Saab	4,657	4,308	31,498	33,287
Sterling	1,426	0	9,317	0
Subaru	17,745	13,493	109,695	120,524
Toyota	64,951	50,138	382,675	403,212
Volvo	10,080	10,157	80,951	85,050
VWoA	18,495	22,891	165,591	195,416
Yugo	4,200	4,123	35,272	18,983
TOTAL	962,615	951,809	6,957,285	7,552,453

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA combines imports and domestics and Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur XR4TI and Merkur Scorpio. Ford includes Festiva. Chrysler includes Conquest. Pontiac includes Lemans.

IMPORTED CAR SALES

	Aug. 1987	Aug. 1986	8 Mos., 1987	8 Mos., 1986
Acura	10,317	5,355	70,155	22,760
Alfa Romeo	523	1,030	4,575	4,901
Audi	2,694	4,438	32,143	41,347
BMW	8,057	8,016	58,915	62,666
Chevrolet	15,335	14,127	87,823	105,847
Chrysler	1,070	34	8,393	34
Dodge	6,171	5,871	40,986	45,248
Ford	5,172	0	10,529	0
Eagle	1,382	328	8,320	2,616
Honda	23,472	31,735	182,871	265,229
Hyundai	26,850	20,689	184,378	92,775
Isuzu	5,874	3,379	27,179	21,664
Jaguar	2,084	1,676	14,148	15,325
Maserati	60	50	480	978
Mazda	20,756	16,880	130,365	136,993
Mercedes-Benz	7,483	7,265	60,003	58,263
Mercury	2,482	1,139	9,537	10,318
Mitsubishi	6,351	4,776	47,482	31,973
Nissan	33,747	47,807	279,878	336,858
Peugeot	793	1,040	6,086	8,810
Plymouth	5,760	5,688	37,207	42,051
Pontiac	9,510	0	18,813	0
Porsche	2,137	2,956	17,013	20,661
Saab	4,657	4,308	31,498	33,287
Sterling	1,426	0	9,317	0
Subaru	17,745	13,493	109,695	120,524
Toyota	61,451	50,138	357,604	403,212
Volkswagen	11,002	12,000	88,135	102,123
Volvo	10,080	10,157	80,951	85,050
Yugo	4,200	4,123	35,272	18,983
TOTAL	308,641	278,498	2,049,751	2,090,496

Sales charts compiled by Karen Detkowski

Michigan college wins architecture competition

SOUTHFIELD, Mich. — A team from Lawrence Institute of Technology here won an architectural and design competition for its conceptualization of a 21st-century factory.

The competition was sponsored by General Motors and the Association of Collegiate Schools of Architecture.

Teams were asked to design a plant that would produce a specific product at a given rate using a specified manufacturing process.

PRODUCTION

U.S. CAR	Week Ended Sept. 5, 1987	Week Ended Sept. 6, 1986	Week Ended Aug. 29, 1987	Aug. Total	Jan. 1 to Sept. 6, 1986	Jan. 1 to Sept. 5, 1987
AMERICAN MOTORS	0	0	0	0	36,955	15,994
Renault Total	0	0	0	0	36,955	15,994
Alliance	0	0	0	0	33,608	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	20,100	23,742	20,918	71,648	916,534	719,581
Plymouth Total	5,200	7,573	5,407	21,610	279,712	212,969
Horizon	0	3,176	0	0	117,996	32,997
Sundance	1,500	882	1,554	5,583	10,229	63,316
Reliant	3,000	2,431	3,091	12,760	107,662	79,518
Caravelle	500	644	641	2,603	30,988	33,009
Gran Fury	200	440	121	664	12,837	4,129
Chrysler Total	7,900	7,959	8,069	24,249	283,346	245,561
Laser	0	0	0	0	27,239	0
LeBaron K	900	739	987	4,148	66,709	48,711
LeBaron J	2,300	0	2,271	5,638	0	77,645
LeBaron GTS	700	3,842	776	2,782	47,501	27,243
N. Yorker E-Class	1,500	1,017	1,771	7,130	52,258	55,046
N. Yorker C-Class	400	0	266	646	0	780
Fifth Avenue	2,100	2,361	1,998	3,905	89,639	36,136
Dodge Total	7,000	8,210	7,442	25,789	353,476	261,051
Daytona	1,400	0	1,525	3,777	30,807	38,772
Omni	0	3,021	0	0	113,605	28,363
Shadow	1,600	752	1,735	6,133	9,114	65,322
Aries	2,500	2,111	2,681	10,990	84,852	74,147
Dodge 600	500	606	528	2,268	49,847	29,570
Dynasty	200	0	139	210	0	339
Lancer	400	654	445	1,578	36,817	16,995
Diplomat	400	1,066	389	833	28,434	7,543
FORD MOTOR	32,131	32,407	27,743	105,834	1,225,694	1,248,958
Ford Division	23,011	23,748	19,430	75,181	839,519	886,818
Escort	8,758	6,946	6,996	27,501	265,775	255,151
Mustang	4,607	4,131	4,457	14,380	132,021	144,670
Tempo	0	3,532	0	0	135,606	99,830
Taurus	7,101	9,139	5,714	26,627	201,647	280,262
Thunderbird	2,545	0	2,263	6,673	104,470	106,905
L-M Division	9,120	8,659	8,313	30,653	386,175	362,140
Mercury Total	4,928	4,589	4,149	13,898	267,786	239,026
Lynx	0	690	0	2	45,381	21,352
Capri	0	0	0	0	12,477	0
Topaz	0	1,010	0	0	40,213	32,858
Cougar	2,561	0	2,233	5,398	86,951	95,126
Sable	2,367	2,889	1,916	8,498	82,764	89,690
Lincoln Total	4,192	4,070	4,164	16,755	118,389	123,114
Continental	0	405	0	0	13,157	9,610
Lincoln	3,495	3,055	3,469	13,963	88,796	94,686
Mark VII	697	610	695	2,792	16,436	18,818
GENERAL MOTORS	67,728	63,624	57,353	183,523	2,880,479	2,346,013
Buick Total	13,475	13,650	12,801	36,892	534,162	382,116
Skyhawk	646	1,213	1,093	3,044	59,271	19,922
Century	3,053	3,422	3,144	9,609	163,739	116,331
Regal (rwd)	625	1,213	647	1,388	43,235	31,083
Somerset/Skylark	2,065	1,359	1,454	3,653	76,024	42,458
LeSabre (fwd)	4,800	3,544	4,464	11,362	103,546	95,920
LeSabre (rwd)	136	243	112	447	10,646	6,260
Electra (fwd)	1,920	2,198	1,887	6,340	58,214	61,411
Riviera	230	0	0	49	19,487	8,731
Cadillac Total	6,420	4,238	2,608	9,302	225,512	177,928
Cimarron	248	398	134	257	17,381	7,942
Allante	72	0	0	360	0	3,513
Brougham (rwd)	1,800	1,018	1,661	6,433	58,853	46,689
DeVille (fwd)	3,588	2,822	813	2,104	113,688	95,818
Eldorado	386	0	0	76	18,513	10,920
Seville	326	0	0	72	17,077	13,046
Chevrolet Total	23,981	22,043	21,109	80,926	877,959	911,652
Chevette	0	1,964	0	0	68,147	0
Camaro	2,525	2,750	2,973	11,784	124,200	84,141
Cavalier	4,857	6,498	2,439	4,557	277,398	213,185
Celebrity	4,270	3,926	4,125	16,396	166,834	204,791
Corsica/Beretta	7,635	0	7,551	33,422	0	217,261
Monte Carlo	1,785	2,147	1,759	5,290	81,803	47,207
Chevrolet	2,909	4,237	2,100	9,112	141,465	126,619
Corvette	0	521	162	365	18,112	18,448
Oldsmobile Total	10,977	11,882	9,210	25,079	703,791	423,343
Firenza	290	625	456	1,282	26,494	3,495
Calais	2,735	2,067	2,112	4,944	80,782	76,735
Cutlass Ciera	0	2,897	0	0	177,399	99,968
Cutlass Supreme	1,651	1,231	1,703	5,133	89,351	52,002
88 (fwd)	1,997	2,762	1,079	10,280	225,056	113,139
88 (rwd)	0	252	0	0	13,297	10,656
Olds 98	4,033	2,048	3,860	3,368	77,367	48,356
Toronado	271	0	0	72	14,045	10,398
Pontiac Total	12,875	11,811	11,625	31,324	539,055	450,974
Acadian*	0	337	0	0	10,690	0
Fiero	0	991	0	0	46,854	20,689
1000	0	677	0	0	14,345	0
Firebird	1,515	2,592	1,628	5,594	77,419	56,007
2000 Sunbird	1,063	2,884	384	588	95,489	61,742
Grand Am	4,800	3,089	4,793	15,660	153,085	163,958
Grand Prix	25	0	0	0	0	25
6000	2,450	982	2,129	3,888	98,492	54,618
Bonneville	2,856	0	2,527	5,002	0	87,230
Safari/Parisienne	166	259	164	592	42,677	6,705
HONDA	6,235	4,444	5,039	24,954	141,958	226,045
Civic	40	0	274	6,300	0	71,470
Accord	6,195	4,444	4,765	18,654	141,958	154,575
NISSAN	2,600	1,021	2,591	10,831	25,182	90,322
NUMMI	2,800	3,731	3,576	15,927	138,501	135,366
Corolla	800	0	755	3516	0	28,725
Nova	2,000	3,731	2,821	12,411	138,501	106,641
VOLKSWAGEN	0	1,560	0	0	55,962	43,129
Golf/GTI	0	1,560	0	0	55,962	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	131,594	130,529	117,220	412,717	5,421,265	4,825,408
Total Cars, Canada	15,852	13,520	12,466	27,411	708,436	510,479
U.S., Canada Cars	147,446	144,049	129,686	440,128	6,129,701	5,335,887
U.S., Canada Trks.	84,973	80,099	80,280	357,374	3,024,138	3,112,231
U.S., Canada Cars and Trucks	232,419	224,148	209,966	797,502	9,153,839	8,448,118

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

August car output is 5-year low

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers built 412,717 cars in August, the lowest total for that month since 1982 when 353,656 cars were assembled.

Last month's production was 16.26 percent more than July's 354,980 but 14.17 percent below the year-ago month's 480,857.

Last week's targeted auto output of 131,594 was 12.26 percent more than the previous week's 117,220 and slightly higher (0.82 percent) than the year-ago week's 130,529.

So far this year, 4,825,408 cars have been assembled, 10.99 percent below the 5,421,265 completed last year at this point.

Companies split last week's scheduled production as follows: General Motors, 51.46 percent; Ford Motor Co., 24.42 percent; Chrysler Motors, 15.27 percent; Honda of America Manufacturing Inc., 4.74 percent; New United Motor Manufacturing Inc., 2.13 percent; and Nissan Motor Manufacturing Co. U.S.A. 1.98 percent.

As reported earlier, Volkswagen of America's Westmoreland, Pa., plant is idle for model changeover until Sept. 21.

GM reported production figures for its new GM10 Pontiac Grand Prix model last week for the first time. Twenty-five were assembled. The new model is built at GM's Fairfax, Kan., plant.

Production of Buick Skyhawk and Oldsmobile Firenza models built at the Leeds, Mo., plant was halted for two days last week because of a parts shortage.

GM's Corvette plant in Bowling Green, Ky., and its Fiero plant in Pontiac, Mich., are slated to resume production this week. Both plants were idle because of a parts shortage.

Ford had Saturday overtime scheduled for its Dearborn, Mich., plant. Chrysler slated daily overtime this week at its St. Louis (No. 2) plant.

All assembly plants are closed today in observance of Labor Day.

Truck build sets record

Domestic truck production last month was the highest for any August. The month's output of 299,145 topped the previous record of 295,114 built in August 1985.

Last month's production was 8.44 percent more than July's 275,857 and 10.62 percent more than the year-ago month's 270,430.

Truckmakers scheduled production of 69,429 units last week, 7.07 percent more than the previous week's 64,844 and 0.45 percent more than the year-ago week's 69,121.

Year-to-date, 2,559,043 trucks have been built, 4.79 percent more than the 2,442,000 completed last year at this point.

General Motors' Janesville, Wis., plant is scheduled to resume production tomorrow. The plant has been idle for model changeover.

Ford Motor Co.'s Louisville, Ky., plant is slated for daily overtime this week.

Canada cars dip for month

August production of cars in Canada totaled 27,411, the lowest for that month since August 1981 when 19,015 cars were built.

Last month's build was 24.24 percent below July's 36,183 and 43.89 percent below the year-ago month's 48,852.

Targeted production of 15,852 cars last week was 27.16 percent more than the previous week's 12,466 and 17.25 percent more than the year-ago week's 13,520.

So far this year, 510,479 cars have been built, 27.94 percent below the 708,436 completed last year at this time.

Truck production for August totaled 58,229, 38.98 percent more than July's 41,899 and 13.88 percent more than last year's 51,133.

Last week's scheduled truck output of 15,544 was slightly higher (0.70 percent) than the prior week's 15,436 and 41.59 percent more than the year-ago week's 10,978.

Ford Motor Co.'s Oakville, Ontario, car plant is down for model changeover until early October.

CANADIAN CAR	Week Ended Sept. 5, 1987	Week Ended Sept. 6, 1986	Week Ended Aug. 29, 1987	Aug. Total	Jan. 1 to Sept. 6, 1986	Jan. 1 to Sept. 5, 1987
CHRYSLER	100	76	109	453	2,723	3,726
FORD MOTOR	5,081	6,752	3,884	11,321	354,608	304,722
GENERAL MOTORS	10,146	6,512	7,892	13,823	344,249	185,595
HONDA	300	0	356	1,589	0	9,569
VOLVO	225	180	225	225	6,856	6,867
Total Cars, Canada	15,852	13,520	12,466	27,411	708,436	510,479
U.S. TRUCK☆						
CHEVROLET	16,919	18,344	15,599	91,797	809,594	774,088
DODGE	7,500	4,278	7,495	30,203	70,291	181,946
FORD	28,330	31,490	25,720	104,880	977,400	994,888
GMC	5,970	6,456	5,081	25,362	247,959	259,045
NAVISTAR	1,330	1,300	1,488	6,761	49,017	49,449
JEEP	4,500	3,470	4,583	20,369	123,460	150,727
NISSAN	2,130	1,433	2,128	8,773	82,477	58,440
AM GENERAL*	450	50	450	1,800	1,762	10,260
MISCELLANEOUS*	2,300	2,300	2,300	9,200	80,040	80,200
Total Trucks, U.S.	69,429	69,121	64,844	299,145	2,442,000	2,559,043
CANADIAN TRUCK						
JEEP	750	588	778	3,416	18,968	22,878
CHRYSLER	6,476	7,023	7,337	28,244	271,969	273,840
FORD	1,944	2,859	1,099	10,317	111,541	99,301
GENERAL MOTORS	6,150	365	5,998	15,349	173,223	150,768
NAVISTAR	224	143	224	903	6,437	6,401
Total Trks., Canada	15,544	10,978	15,436	58,229	582,136	553,188
U.S., Canada Trks.	84,973	80,099	80,280	357,374	3,024,138	3,112,231

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Nissan to build all U.S. trucks at Smyrna plant

SMYRNA, Tenn. — In October, Nissan will begin producing all of its 1988 pickup trucks for the U.S. market at its assembly plant here.

In the 1986 calendar year, Nissan's pickup sales in this country consisted of 96,943 domestically produced and 126,608 imported units.

The company said the Smyrna line rate will change in October from 34.6 cars and 28.4 trucks per hour to 46.5 trucks and 17.5 cars per hour. The Sentra subcompact is assembled at the plant. Employment will not be affected, Nissan said. There are 3,200 workers.

Nissan will continue to import to the United States specialty trucks, including its Pathfinder sport-utility vehicle and its passenger van.

Pickups will be produced in Japan for sale in markets other than the United States.

Pickups assembled in the United States in 1988 will be the 4x2 in regular bed, long bed, cabin chassis and King Cab versions and the 4x4 in regular bed, long bed and King Cab versions, the company said.

Nissan has assembled pickups at the Tennessee plant since 1983. It began building the Sentra here in 1985.

By changing its sourcing, Nissan will no longer pay a 25-percent tariff on trucks shipped from Japan to the United States. The vehicles also will be less susceptible to the changes in the yen-dollar relationship. Retail prices have risen and profit margins have narrowed as the dollar has weakened against the yen.

In an interview earlier this [illegible] Nissan President Yutaka [illegible] said the Japanese company plans to build 25 percent of its vehicles outside Japan by the early 1990s and may even close plants at home if the dollar continues to fall (Automotive News, April 6, 1987).

Atsushi Muramatsu, the Japanese automaker's executive managing director, said that Nissan plans to double its production capacity outside Japan. The company currently builds 12.5 percent of its vehicles overseas.

5-millionth Jeep

TOLEDO, Ohio — The 5-millionth Jeep was produced Aug. 27 at the main Jeep plant here. Jeep production began here at the start of World War II.

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Automotive News

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Ford, GM take early price step

6% hike at Ford, 3.3% for GM fleets

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. last week gave its dealers tentative 1988 prices that show an increase of nearly 6 percent on most models carried over from 1987. Meanwhile, General Motors is close to deciding whether to make across-the-board price cuts on its 1988 models.

It is not clear how large any price cuts may be nor how they would be accomplished. GM told its dealers last week that fleet prices tentatively would increase an average of 3.3 percent.

The Ford prices are only tentative, are not sales weighted and do not account for the industrywide trend toward equipping 1988 models with more standard features than 1987 models. Chrysler Motors, for example, in August issued to dealers tentative price hikes of 7 percent but said afterwards that prices would actually rise only 1 percent when changes in equipment and prices of all models are considered.

Ford, in most cases, will be offering more standard features and other changes along with the higher price tags. To cite the most dramatic example, the base price on the Mercury Sable GS sedan will jump 14.6 percent to $14,145 — but air conditioning, tinted glass, interval wipers, digital clock and other features will become standard.

At the other extreme, the price of the popular Escort GL two-door has remained steady at $6,949. The car is unchanged for fall, with a restyled version expected to take its place as a 1988½ model next spring.

According to preliminary figures sent to dealers, manufacturers suggested retail prices on this fall's Fords will increase an average of 5.4 percent. Mercury sales tags will climb 6.5 percent.

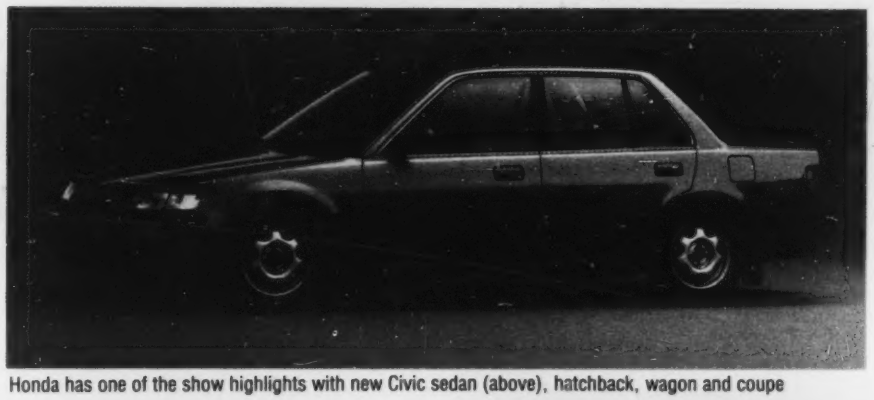
The averages don't include the Ford Tempo and Mercury Topaz — two models that have been extensively restyled for 1988 and won't come out until mid-fall.

Although the pre-sale figures are tentative, they historically vary little from the final prices, a Ford spokesman said. The 1988 models officially go on sale Oct. 1, but some will be available before then.

The averages also don't include the Ford Festiva and Mercury Tracer — two cars introduced as 1988 models last spring.

Lincoln cars haven't been included either. The 1988 versions of

see PRICES, page 86



Honda has one of the show highlights with new Civic sedan (above), hatchback, wagon and coupe

FRANKFURT

Japanese grab spotlight; Honda unveils new Civic

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Two months before their own extravaganza in Tokyo, Japanese carmakers were stealing much of the thunder at last week's preview of the Frankfurt auto show.

At the last minute, Honda uncorked its latest-generation Civic — perhaps the most consequential production-car launch at the show. In addition, three all-new and widely praised concept vehicles were unveiled by Toyota, Subaru and Daihatsu.

Furthermore, Japan's Mitsubishi Motors Corp. figured in the most significant business announcement of the German show. Daimler-Benz said it is talking with Mitsubishi about joint production and distribution of commercial vehicles in Europe as well as distribution of Mercedes-Benz cars through Mitsubishi sales outlets in Japan.

Most of the big attractions last week had been widely previewed. Among them, the U.S.-bound BMW Z-1 roadster seemed to draw the biggest crowds.

The third-generation of Honda's 15-year-old Civic line is due on the Japanese market next month and will also debut in the United States this fall.

Honda presented three-door hatchback and four-sedan versions and a redesigned CRX sport coupe.

The new Civics have smoother, more aerodynamic shapes and more interior space, but the basic styling is little changed. However, Honda has developed new engines, suspensions and drivetrains for the cars — only four years after the second-generation Civic was introduced, also at Frankfurt.

The tall-body Shuttle is the only member of the Civic family continuing in its present form. A new Shuttle will arrive in early 1988, Honda said.

The new, compact four-cylinder, 16-valve engine, with aluminum cylinder block and head, is available in 1.3-, 1.4- and 1.6-liter versions.

The new CRX has a lower hood, made possible by its more-compact double-overhead-cam engine. The highest point is now 1.18 inches lower than that of the previous CRX. Honda puts the drag coefficient on the new car at 0.30.

The contingent of industry design leaders on hand at Frankfurt enthused about the Japanese concept vehicles.

"The Japanese really surprised us with three all-new show cars," said General Motors design chief Chuck Jordan.

"The Japanese cars are all examples of good design," added Mercedes styling boss Bruno Sacco.

Porsche Speedster at Frankfurt echoes 1950s model

The futuristic lineup included the TA-X80 from Daihatsu, a synthetic-bodied small-car design exercise on an aluminum frame. The TA-X80 has permanent all-wheel drive and is powered by a 1-liter turbocharged engine.

Subaru offered the all-wheel-drive, 24-valve, twin-turbocharged F-624 Estremo, with highly computerized cockpit functions, and Toyota presented its FXV-II, a running prototype that it conceives as a forerunner to high-performance specialty coupes of the future.

The permanent all-wheel-drive FXV-II, the most fully developed of the three show cars, is widely seen as the precursor to the next-generation Soarer planned for the United States. It is powered by a 3.8-liter, 32-valve, V-8 experimental engine.

Another attention-getting show car was the mid-engined, Lamborghini Jalpa-based Chrysler Portofino. The prototype was fashioned by Chrysler Motors' international design team.

"I think it's the best (design) Chrysler has ever done," said Jordan.

Ford showed its HFX Ghia, a $7 million concept vehicle out of its Ghia Studio in Italy. The car is stocked with 26 onboard computers.

BMW announced a German selling price of 80,000 marks ($45,000) for the 325i-based Z-1 from BMW Technik Gmbh, the company's advanced-concept center. Production starts next year at the rate of six per day.

Regarding Z-1 sales in the United States,

see FRANKFURT, page 4

GM to sell Opel in U.S. as 1989 car

By Richard Johnson and Andrew R. McGill
AUTOMOTIVE NEWS STAFF REPORTERS

FRANKFURT, West Germany — General Motors is "ready to go" with a plan to import upscale Opel cars to the United States beginning as early as next year.

Introduction of the Opels will likely take place at an as-yet unspecified U.S. auto show in 1988, according to John Smith, president of General Motors-Europe Passenger Cars. Smith said GM will sell three Opel lines under a separate franchise.

Speculation is that the European imports will appear first at the Chicago Auto Show next February, perhaps to be announced by GM Chairman Roger Smith at his appearance before the National Automobile Dealers Association convention in San Francisco a few days earlier.

The Opel line is expected to go on sale in the United States for the 1989 model year.

Though GM has long cited the weak dollar vs. the German mark as the main obstacle to Opel imports, GM President Robert Stempel last week said the exchange rate is less an impediment than finding a suitable distribution system.

Stempel said GM will not sell Opels through an existing division and that the company's new Saturn dealer network "is certainly No. 1 on the list" of potential distribution outlets.

see OPEL, page 6

Hyundai leads dealer sales

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Eight Asian and two U.S. car and truck manufacturers captured the top 10 places in Automotive News' semiannual analysis of average car and truck sales per dealership.

Three of the top 10 in overall average sales per store sell only cars. The three were: Hyundai, Honda and Acura. The remaining seven sell both cars and trucks.

At the halfway mark, Hyundai ranked No. 1 in average car sales per dealership. Hyundai's 186 dealers sold an average of 730 cars per outlet by July 1. This was a 68.59-percent increase over the first six months a year ago when Hyundai was new on the American scene and already averaging sales of 433 cars for each of its 75 outlets.

The six-month average total put Hyundai 294 units ahead of its nearest competitor, Mitsubishi. Mitsubishi's combined average car and truck sales edged up 4.3 percent to 436. At midyear, Mitsubishi sold an average of 273 cars and 163 trucks per outlet, putting it in second place. It ranked third one year earlier, with average combined car-truck sales of 418.

Toyota dropped from second to third place in the first half. Combined average car and truck sales of 382 per outlet were almost 10 percent lower than the first half of 1986, when the average was 423 per outlet. Toyota sold an average of 240 new cars and 142 trucks per outlet.

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World-class is Cadillac's goal for '90s

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

MONTEBELLO, Quebec — Cadillac is eyeing a smorgasbord of new-technology componentry for its 1990-era cars in its quest to become a world-class competitor in the international luxury-car market.

Warren Hirschfield, Cadillac's program coordinator of future vehicle technology, said consumers may see all-wheel drive, four-wheel steering, traction control and a new family of larger, high-output engines as optional or standard equipment on Cadillac models by the early 1990s.

Which technologies will be implemented or scrapped will depend on the needs of Cadillac buyers, competitive pressures and capital from General Motors.

"We can't do everything at once; for instance, we can't do traction control and all-wheel drive" at the same time, he said.

"We have to decide which technology we are going after."

Companies such as Daimler-Benz, Honda, BMW, Jaguar, Mazda, Audi and Ford have already implemented several of the new technologies into their products. An all-wheel-drive Pontiac 6000 STE is being offered by GM in the 1988 model year and active suspension is planned for future Chevrolet Corvettes.

Cadillac sources told Automotive News in July that GM was developing an all-new 12-cylinder engine to be used exclusively by the division. GM or its Lotus subsidiary could build the engine.

Thomas Standen, Cadillac director of planning, said GM is already testing some of the technologies on prototype vehicles. Success at the proving grounds could move such technology into future GM cars.

Hirschfield said Cadillac will be considered along with other GM divisions for the all-new technology.

"Cadillac is to initially market things that apply to luxury and security," Hirschfield said.

"Oldsmobile might be first with things that are performance-oriented," he said.

Hirschfield said luxury or security apply to items such as active suspension and antilock brakes. He described all-wheel drive and four-wheel steering as driver convenience features.

see CADILLAC, page 51

AUTOMOTIVE NEWS/JOE WILSSENS

UAW Vice President Stephen Yokich, left, and Bieber

Chrysler plant vital

Canadian strike could shut U.S.

By Alex Law
SPECIAL CORRESPONDENT

TORONTO — A strike by the Canadian Auto Workers, which would stop production at Chrysler Canada's Ajax, Ontario, trim plant, could begin to shut down Chrysler's U.S. operations by late next week.

A strike at Chrysler's four manufacturing plants in Canada seemed likely for midnight tonight since at the end of last week, the company and the CAW were still far apart on the main issue of indexed pensions.

Dennis DesRosiers, of DR Automotive Research Inc., Toronto, said, "It would take 6 to 10 days to affect Chrysler operations in the United States."

After Chrysler presented the union with a contract proposal here last Wednesday, CAW President Bob White told reporters it was a "blueprint for a strike." He reiterated the union's position that there would be a strike if Chrysler did not agree to indexed pensions.

A few minutes later, Bill Fisher, Chrysler's chief negotiator, called the proposal a "good foundation for a settlement." He said that Chrysler was still strongly opposed to putting indexed pensions in an agreement.

Of Chrysler's four Canadian plants, only the trim plant, 10 miles from Toronto, could shut down the firm's entire North American production. The Ajax plant employs some 2,000 workers and makes door panels, seat covers and other soft trim.

White: Chrysler's contract proposal is a "blueprint for a strike."

According to a Chrysler Canada spokesman, the Ajax plant makes hundreds of parts, some exclusively, so the loss of production would shut down U.S. assembly plants "within a matter of weeks."

Union officials believe Chrysler could operate some U.S. plants for 10 days while others might run longer. It depends, union officials said, on how much stockpiling the company has done.

A strike in Canada would halt production of Chrysler's minivans and full-sizes vans. The Windsor, Ontario, assembly plant is the sole source for the short-wheelbase minivans and the Pillette Avenue truck plant in Windsor is the company's only facility for full-sized vans.

Chrysler's castings plant in Etobicoke, a suburb of Toronto, produces pistons, brake cylinders, torque converters, transmission cases and air conditioner compressors, none of which are exclusive to that plant.

Ford talks heat up as deadline nears

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — With tonight's midnight deadline looming, Ford Motor Co. and UAW negotiators scheduled bargaining sessions through the weekend.

Until last Thursday, both sides were playing down the possibility of a strike. But early Friday afternoon, UAW President Owen Bieber said, "We're still grappling with the hard issues. We are not moving on these issues. Unless something begins to happen and happen quickly, then I am not optimistic that we can reach that deadline."

It was a sign of how quickly things can change in a bargaining situation.

The problem, Bieber said, was that the job security issue — the union's top priority — had not been resolved.

The mood last week was such that neither dealers nor industry watchers expected that a strike at Ford — if indeed it comes — will be more than brief.

Stanley J. Surma, Ford's top bargainer and executive director of labor relations and employee development — Employee Relations Staff, said that job security and economics were being discussed last week, though Ford had made no second proposal.

He said early in the week that the company was still against the union's demand for a return of the annual improvement factor raise.

A Ford spokesman said negotiators planned to "work intensely through the weekend" and would schedule a full day today.

A UAW spokesman said that, historically, the union's practice has been to authorize strikes shortly after midnight following the expiration of a national contract, rather than extend the contract.

A notable recent exception was the year-long extension of the national contract at Ford's Rouge Steel subsidiary. That agreement was reached in July.

Last Tuesday UAW President Owen Bieber asked Ford to guarantee the jobs of the current workforce of about 107,000 hourly employees for the length of the agreement. That guarantee would mean no workers would be permanently laid off for any reason whatsoever.

The number of jobs could remain

see TALKS, page 83

Chevrolet to dealers: Beat Ford or stay home

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A dealer can win Chevrolet's latest sales contest and not win a thing.

Panic-stricken Chevrolet has kicked off an unusual nationwide dealer contest in its attempt to beat Ford Division in sales for calendar 1987.

The contest, called "All for One," gives trips to Europe and Caribbean cruises to dealers who meet sales targets set by the division. If a dealer exceeds the sales target, he receives $3,000 in cash to spend on the trip.

But here's the catch: If Chevrolet does not beat Ford in combined car and truck sales for the calendar year, no one collects a prize even if he meets his individual sales target.

Unlike past programs, the dealer does not have to pay anything to participate in the contest.

Robert Burger, Chevrolet general manager, and Robert Starr, Chevrolet sales and service manager, outlined the program to dealers on a closed-circuit television program aired to zones throughout the United States last Thursday.

Burger and Starr admitted Chevrolet would be beat by Ford for the model year but that they were determined the division would maintain its traditional No. 1 spot for the calendar year.

The "All for One" contest runs from last Thursday through Dec. 31. Meanwhile, local contests in zones also have been launched.

GM plastic minivan a bit larger than A-car

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

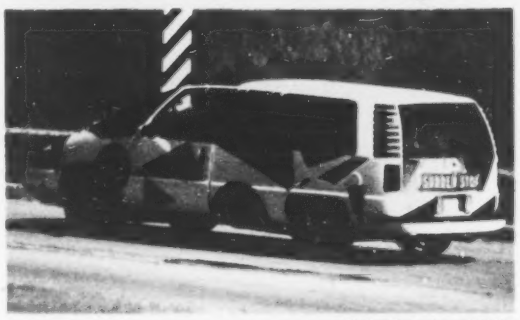
DETROIT — General Motors' new plastic-bodied front-drive van, tentatively called the Trans Sport, will be slightly larger and heavier than GM's A-body cars when it debuts in the spring of 1989.

Its 110-inch wheelbase will be one inch less than the current Chevrolet Astro/GMC Safari and five inches more than the A-cars, Automotive News has learned.

The interior will be 58 to 60 inches wide. The minivan also will have a 17-inch clearance between the door and the curb, sources said.

GM is aiming the minivan at the Plymouth Voyager/Dodge Caravan and Ford Aerostar.

The new van is expected to go into production at GM's Tarrytown, N.Y., plant in February 1989, in time for spring introduction as a 1990 model. Pilot production is scheduled to begin in June 1988, sources said. The Pontiac Trans Sport will be available in two models, a base version and a highline Trans Sport SE. Chevrolet is planning its own version of the vehicle.



POPULAR MECHANICS JIM QUINN

Expected to go into production in February 1989

Built on the A-body (Celebrity) platform, the seven-passenger (a third bench seat is optional) minivan will feature a 3.1-liter V-6 when it is introduced.

It will subsequently get a more powerful 4.3-liter V-6 in 1992, Automotive News learned.

The new van will have a payload-carrying capacity of 1,700 pounds and a maximum trailer-towing capability of 2,000 pounds.

The base vehicle will feature a five-speed manual transmission, power front disc brakes, power rack and pinion steering, remote control mirrors, sliding side door on the passenger side, rear hatchback, a black roof treatment and two-tone paint.

The black roof treatment, a GM spokeswoman explained, is a black acrylic that gives the illusion of transparency. GM currently uses it on the Pontiac 6000 SE wagon and Fiero GT.

Sources said inside features will include reclining front bucket seats with armrests, a second-row three-passenger bench seat, an electronic liquid crystal display cluster, electronic fuel gauge and digital speedometer, a leather-wrapped steering wheel and overhead console storage.

Five exterior colors are expected to be offered, sources said.

The base model will have 14-inch wheels, and the SE model will have 15-inch wheels.

GM is predicting production of 220,000 units the first year, shared between Pontiac and Chevrolet.

Pininfarina created the design for the new all-purpose van.

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Passenger units take 77% of Chevy Astro sales

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — Aided by van converters, Chevrolet is selling 77 percent of its Astros as passenger models, making it a far stronger personal-use vehicle than originally anticipated.

Chevrolet officials plan to fuel Astro's popularity among converters next year by offering them a heavily discounted special optional-equipment package.

Astro is already very successful in the conversion market. About 39 percent of Astro cargo vans are being shipped without seats to converters, according to Robert Rieth, former Chevrolet special vehicles manager.

Rieth retired Aug. 31 after 33 years with Chevrolet. His successor is not expected to be named for another month or so.

Rieth said Chevrolet is currently selling 63 percent of its Astros as passenger vans. Of the 37 percent sold as cargo models, 39 percent are going to the conversion market, adding another 14 percent to Astro's passenger-configuration mix.

Originally, GM officials had expected as many as half its M-vans to be sold for commercial purposes like hauling plumbing fixtures.

But the number sold for personal use has been growing steadily.

"Our initial marketing studies indicated that (M-van) was going to be a strong commercial vehicle," Rieth said. "But the price of fuel went down, so that the big G van (full-sized Chevrolet van) became more attractive again to commercial users. They chose to stay with the bigger van for the volume."

As noted, Chevrolet plans to increase Astro's appeal to converters in the mid-1988 model year by offering them a specially discounted optional equipment package, which includes all the Astro options ordered 98 percent of the time by converters.

Items will include power steering, power brakes, power door locks and tilt wheel. Free air conditioning, worth $664 at dealer cost, is part of the package.

Chevrolet offered a specially priced equipment package last year for converters on its full-sized G-vans, but excluded seat-delete Astro models. The package included a free V-8 engine worth $421 wholesale.

Rieth said the Astro package is designed primarily to make it easier to order Astros. But it also includes special suspension parts that turn what is essentially an 05 work chassis into an 06 passenger van.

Chevrolet officials want to make certain the ride quality of upfitted models matches that of regular passenger-model Astros.

Astro accounts for about 35 percent of Chevrolet's total shipments to the conversion market, based on figures for vehicles going through its bailment pool system.

Chevrolet's total van shipments to converters are up 25 percent this year to about 70,000, Rieth said. That includes 50,000 G-vans and 18,000-20,000 Astros. The 25-percent increase is almost entirely in G-van shipments.

Chevrolet accounts for about 40 percent of the industry's van conversion shipments, Rieth added.

General Motors is running at full overtime on M-van production, he said. There are no possibilities — or plans — for expanding production further.

The new plastic passenger van that Chevrolet and Pontiac will introduce in the 1989-1990 time frame is expected to dig into the M-van's market, and GM is saving capacity increases for that model.

Last summer, Chevrolet, along with some of its competitors, had a high days' supply of vans going into the new model year. Dealers backed off from ordering 1987 models. Then domestic manufacturers offered a low-interest financing program that cleaned converters out and, for several months, there was a shortage of products because of a lack of early orders.

Currently, Chevrolet's van inventories, which had been rising gradually through May, June and July, are down to the same level as on April 1, Rieth said.

He attributed it to a "good retail market because there sure was availability out there."

2 RV makers introduce new van lines

BREMEN, Ind. — Enterprise Motor Corp. here and Carriage Inc., Millersburg, Ind., have introduced new products for the van conversion market.

Enterprise Motor introduced a new front-wheel-drive standup van. The low-profile, all-fiberglass van has 6 feet, 4 inches of headroom, more than 200 cubic feet of cargo space and a 1,500-pound capacity, exceeding that of conventional minivans.

It is built on Dodge's Mini Ram Van chassis, featuring a 2.5-liter Chrysler engine and Chrysler mechanical components. The 13-foot vehicle is geared to fleets, delivery service and mobile food unit use.

A 17-foot model is scheduled to be introduced later this year.

Carriage Conversions introduced a Surrey Coach in its 1988 lineup of van conversions.

It also has new color decors on its full-sized Royale model, new electronic features on its top-of-the-line Cameo, a sportier look for its Cachet minivan and an upgraded chassis for the Carriage Suburban.

The Surrey Coach has a lower price, designed to broaden its market appeal, while featuring the same quality construction and many of the other amenities of Carriage conversions, according to officials.

It features automotive fabrics, vinyl upholstery, Flexsteel seating, privacy drapes and large bay windows. The exterior includes running boards, fiberglass spare tire cover, logo treatment and paint schemes match to a choice of interior colors.

The Carriage Royale has six new color decors. A redesigned dual sunroof and optional electronic compass have been added to the interior. It also has new "Eurolace" wheels, all-weather driving lights and auxiliary brake lights.

The Carriage Cameo has a new full Sony sound and video system, including an eight-inch television monitor, 8 millimeter video cassette recorder, AM/FM tuner and disc compartment that automatically chooses from a selection of 10 discs.

Recreational Vehicle Wholesale Deliveries

	June 1987	June 1986	% change	6 months 1987	6 months 1986	% change
Travel trailers	7,600	7,200	+ 5.6	51,200	47,800	+ 7.1
Folding camping trailers	3,500	2,600	+34.6	21,800	19,200	+13.5
Truck campers	1,000	800	+25.0	5,700	4,000	+42.5
Towable RV total	12,100	10,600	+14.1	78,700	71,000	+10.8
Conventional (type A)	3,000	2,500	+20.0	19,900	16,800	+18.5
Van Campers (type B)	500	600	−16.7	3,300	3,300	+ 0.0
Chopped vans (all)	2,200	2,700	−18.5	14,800	14,900	− 0.7
Motor home total	5,700	5,800	− 1.7	38,000	35,000	+ 8.6
Van conversions	16,600	17,500	− 5.1	98,100	101,800	− 3.6
TOTAL ALL RVs	34,400	33,900	+ 1.5	214,800	207,800	+ 3.4

Source: Recreation Vehicle Industry Association.

Recreational Vehicle Wholesale Deliveries

	July 1987	July 1986	% change	7 months 1987	7 months 1986	% change
Travel trailers	7,800	7,300	+ 6.8	59,000	55,100	+ 7.1
Folding camping trailers	3,200	2,800	+14.3	25,000	22,000	+13.5
Truck campers	700	700	+ 0.0	6,400	4,700	+36.2
Towable RV total	11,700	10,800	+ 8.3	90,400	81,800	+10.5
Conventional (type A)	3,300	2,700	+22.2	23,200	19,500	+19.0
Van Campers (type B)	500	500	+ 0.0	3,800	3,800	+ 0.0
Chopped vans (all)	2,100	2,300	− 8.7	16,900	17,200	− 1.7
Motor home total	5,900	5,500	+ 7.3	43,900	40,500	+ 8.4
Van conversions	14,800	16,000	− 7.5	112,900	117,800	− 4.2
TOTAL ALL RVs	32,400	32,300	+ 0.3	247,200	240,100	+ 3.0

Source: Recreation Vehicle Industry Association.

Biggest show for RVIA

418,000 square feet of space assigned

RESTON, Va. — The Recreation Vehicle Industry Assn. is gearing up for its largest annual RV trade show.

The event will be staged Nov. 3-15 at Dodger Stadium in Los Angeles.

Bob Lee, chairman of RVIA's 1987 Los Angeles Show Committee and president of Country Coach, Junction City, Ore., said 400,245 square feet of manufacturer exhibit space and 18,000 of supplier exhibit space have been assigned for the show. That tops the previous record of 387,000 square feet at the 1985 show.

To date, 77 RV manufacturers' exhibits and 224 supplier booths have been assigned.

Approximately 10,000 square feet of manufacturer exhibit space and 4,000 square feet of supplier exhibit space are still available.

The show is expected to draw 9,000 RV dealers and executives during industry-only days Nov. 3-4 and 50,000 consumers when it opens to the public, Nov. 6-15.

The event will feature seminars ranging from management strategy to new first-time buyer research.

A survey of West Coast RV dealers found most were interested in attending seminars during the industry portion of the show.

An educational program will be held Nov. 2 at the Hyatt Regency prior to the show's opening. It will lead off with an all-new seminar on expanding the RV market provided by public relations agency Burson-Marsteller. The program includes videotaped interviews with non-RV owners and dealers.

Subsequently, Fred Pryor, an authority on business management, will discuss techniques for opening lines of communication and, increasing productivity, employee morale and managerial skills.

Then, Art Niemann, president of Art Niemann and Co., specializing in personnel management for auto dealers, will explain how to select and hire the right person.

There also will be an insurance seminar sponsored by the Recreation Vehicle Dealers Assn. and conducted by George J. Higgins, president of the American Business Insurance Agency, Kansas City, Mo.

Conquest emphasizes retail sales features

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

GOSHEN, Ind. — Conquest Division of Gulf Stream Coach has been making its mark in the van conversion market. Officials attribute its growth to an emphasis on retail sales.

Conquest has doubled sales to 200 units a month this year and projects 3,500 to 5,000 sales in calendar 1988, depending on chassis availability.

It has about 250 dealers, has been signing five to 10 new ones weekly and expects to continue adding dealers for two years.

The company devised a strategy to help it compensate for the stiff competition in the conversion market and the high turnover among auto dealership salespeople, said Kevin Slater, Conquest Division manager.

The rapid turnover at dealerships often leaves few salespeople who are knowledgeable about a converter's products, Slater said.

Salespeople generally shy away from conversions anyway, he said, because of lack of knowledge and the patience often required to close a conversion sale.

Conquest, in its sales strategy, has been offering base units and option packages priced attractively enough to generate wholesale orders, but including features to help them sell themselves at retail as well.

It typically blends the most popular conversion items with some unique ones.

"We include a few of those features we think unique in each of our packages and price them competitively," Slater said. "The competitive price sells the dealer. The features sell the customer."

The distinctive items are designed to be immediately apparent to salespeople and customers.

"Even the salesperson who is not terribly knowledgeable about our product can immediately start pointing them out and pitching the vehicle," Slater added.

Typically, there might be a lot of "solid oak features" that will "give the salesman something to talk about because they are immediately apparent. It keeps him flowing through his presentation, keeps that customer there and gets him into the conversion," Slater added.

He said many converters don't pay enough attention to retail, concerning themselves more with selling the dealer than the retail customer.

"They will get on the lots, and naturally they're going to sell. But what has happened for us is that we tend to sell a little faster than some of the other converters," he said.

Proof of that, he said, comes from Ford, which tracks retail turn rates of its pool companies' products.

"We have consistently been ahead of the group average in our daily turn rate, and we also have consistently fewer 90-day units than the group average," Slater said.

Conquest has pool accounts with Ford, Chevrolet and GMC and also converts Dodge chassis that it buys from dealers.

During the past few months, it has begun doing well with a new Aerostar "high top mini" package that includes television.

"What we tried to do on the minivan is offer a package that costs the dealer about the same as a loaded factory unit, but offers something the factory can't," Slater said.

Its dealer cost on a full-sized converted van generally runs from $14,200 to $19,000, covering five different models.

Depending on the package, dealer cost on a minivan might range from $13,900 to $15,900, for chassis and conversion.

Conquest orders well-equipped chassis.

"We have found that if we put a low-priced conversion on a well-spec'd (equipped) chassis, it will sell quickly," Slater said. "The dealer can still advertise a competitive price, but our unit will have the things that the luxury van buyer really wants."

Conquest is developing a high-priced package, designed specifically for sportsmen and hunters.

GM produces milestone M van
General Motors employees and officials at the Baltimore plant celebrated building their 500,000th M van, a Chevrolet Astro, in August. The GM Truck & Bus Group began producing the Astro/Safari M vans in Baltimore in 1984 after a $270 million investment to upgrade the facility.

Light trucks set August record

Month's sales total 413,838; year-to-date mark also best ever

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Light-duty U.S. truck sales set another record in August with most domestics and imports sharing in the bonanza.

Dodge's August sales were an all-time record, according to Jerome B. York, Chrysler vice president, Truck Operations; while GMC sales were an eight-year high for the month, according to Duncan A. Brodie, GMC general sales manager.

Light-truck manufacturers retailed 413,838 vehicles last month, up 11.50 percent from 371,150 a year ago.

For the first seven months of 1987, industry sales were a record 3,179,984, up 4.73 percent from 3,036,152 for the same period in 1986.

Most manufacturers, with the exception of Ford, Nissan and Subaru, scored solid increases in August.

Subaru is practically out of the truck business, retailing only 66 units for the month.

Ford was fairly close to its year-earlier level, retailing 114,622 light trucks compared to 115,515 in August 1986.

Interestingly, for the second month in a row, the pendulum has swung back for Ford's full-sized pickups vs. Chevrolet's. Earlier in the model year, Ford's F-series pickups were scoring sales increases while Chevrolet's R/V and C/K series models were off.

In August, though, the F series, with 44,884 sales, was off 8.2 percent while Chevrolet's C/K and R/V models totaled 38,165 sales, up 9.2 percent.

GMC sales of C/K and R/V models totaled 10,866 units, up from 8,598 a year earlier.

GM last month bucked a trend in which Dodge and Jeep full-sized pickup sales were off.

Dodge's 6,782 Ram pickup sales were off 34.6 percent from the same period last year. Sales of Jeep's J10/J20 pickups totaled a scant 44 units, down from 200 a year earlier. Company insiders have already said those Jeep models are due to be phased out in the near future.

Chrysler's overall sales of 58,400 in August were up 39.2 percent while Chevrolet's overall sales of 110,428 were up 11.7 percent.

Chrysler's sales total does not include Jeep products.

GMC's sales of 28,535 light trucks were up 24.2 percent while Jeep sales of 15,681 were up 4.7 percent.

Generally, the importers, led by Mazda, Mitsubishi and Suzuki, had a good August, with retail sales of 86,172, up 12.08 percent from 76,880 a year earlier.

Suzuki has resumed officially reporting sales after a two-month lapse during which time its sales had to be estimated.

Suzuki retailed 7,905 Samurais in August, more than double the 3,596 it sold a year earlier.
The importers' performance generally bucked an earlier trend in which their sales had been running below year ago.

For seven months of this year, importers retailed 610,802 units, off from 622,291 last year.

LIGHT-DUTY TRUCK SALES

	Aug. 1987	Aug. 1986	8 Mos. 1987	8 Mos. 1986
Vans	14,673	14,472	123,801	118,854
Aerostar	14,624	12,821	112,247	98,926
Club Wagon	1,572	1,932	18,250	18,140
Ranger	23,304	23,793	221,705	191,079
Bronco	3,493	4,011	32,309	32,160
Bronco II	12,072	9,572	81,614	63,814
Pickups	44,884	48,914	358,432	355,933
Ford	**114,622**	**115,515**	**948,358**	**878,926**
Vans	10,437	10,317	74,884	90,865
Sportsvan	974	985	8,290	11,609
Astro	12,437	11,114	102,919	100,774
S-10	21,687	16,525	159,552	141,355
S-10 Blazer	17,245	14,765	104,022	108,352
El Camino	1,826	1,503	10,075	14,713
Blazer	2,476	3,598	19,624	27,877
Suburban	5,181	5,079	38,000	39,886
Pickups	38,165	34,964	280,738	295,726
Chevrolet	**116,428**	**98,850**	**798,104**	**831,157**
Vans	5,976	6,024	48,132	51,205
Ram Wagon	2,119	2,756	21,352	26,616
Voyager	10,917	6,436	91,410	74,183
Caravan	11,473	6,765	96,881	77,380
Mini Ram Van	976	937	9,211	10,293
Ram 50	6,290	5,289	47,475	48,036
Raider	2,311	88	13,230	88
Ramcharger	2,025	2,198	16,214	15,755
Dakota	9,531	1,089	71,526	1,745
Pickups	6,782	10,369	64,994	67,012
Chrysler	**58,400**	**41,951**	**480,425**	**374,313**
Vans	2,957	2,715	25,980	25,632
Safari	2,623	2,165	22,001	21,300
S-15	5,414	3,506	34,498	33,090
S-15 Jimmy	3,764	3,430	24,686	26,222
Jimmy	652	631	5,379	5,676
Caballero	227	172	1,275	1,826
Suburban	1,493	1,408	12,762	12,531
Pickups	10,866	8,598	77,365	75,329
P Model	393	250	3,641	3,016
W-4	146	100	990	798
GMC	**28,535**	**22,975**	**208,577**	**205,420**
Wrangler/CJ	2,114	2,967	19,798	23,044
Wagoneer	997	714	8,284	6,525
Cherokee	8,249	7,786	69,610	64,109
Grand Wagoneer	1,289	829	8,751	9,367
Comanche	2,988	2,483	26,234	19,865
J-10/J-20	44	200	1,041	1,133
Jeep	**15,681**	**14,979**	**133,718**	**124,045**
Toyota	27,115	26,289	212,748	200,174
Nissan	18,042	22,880	148,397	153,205
Mazda	20,484	13,159	92,440	100,009
Isuzu	8,233	7,811	61,595	56,727
Mitsubishi	4,055	2,694	34,021	21,195
Suzuki	7,905	3,596	59,182	28,537
Subaru	66	471	1,116	2,448
Range Rover	272	0	1,301	0
Imports	86,172	76,880	610,802	622,291
Industry Total	413,838	371,150	3,179,984	3,036,152

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Company _____
Address _____
City _____ State _____ Zip _____
Phone _____

Queens dealer tries off-price marketing

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Car shopping supermarket-style without haggling over price characterized the recent opening of the NY Auto Outlet. The concept was started by a Queens, N.Y., auto dealer.

Taking a 250,000-square-foot warehouse that was used basically for pre-delivery preparation and inventory storage, Paul Singer, president of Paragon Oldsmobile and Honda as well as five other stores, created an auto outlet that will be open once a month.

Michelle Singer, his daughter and general manager of Paragon Hyundai, manages the sale days at the outlet.

She said a factor that prompted the use of the warehouse for sales was limited space at the dealerships. In some of their locations, not all the inventory could be displayed. This is especially true of the Hyundai store, she said.

By using the warehouse, customers could see most of the inventory and make their decisions.

The first experiment was a direct mail campaign to approximately 100,000 persons in the immediate Queens marketing area.

That private sale went well, she said. The next step was to go to the public. An advertising campaign was launched in the local media for the NY Auto Outlet — the name the company uses to promote the warehouse.

It was a one-day Sunday sale, she said, and about 1,000 people went through the warehouse. On display were 1,000 cars made by Oldsmobile, Honda, Hyundai, Subaru, Sterling and Acura.

Michelle Singer said every car was clearly marked with the price. One goal was to eliminate price haggling and make the atmosphere in the warehouse relaxed.

The warehouse sale was staffed with 55 sales persons, 12 finance managers, 8 greeters and 15 managers from the various dealerships.

Asked their preferences and needs, the customers were then referred to an "auto agent," or sales person, who would show them the cars in the color and style they were seeking.

She said there was no negotiation on the price. Every car was marked "was" and "is," indicating the price markdown. She said they found there was a quicker decision by the customer without haggling over price.

While the sold numbers on the second sale were not completed by the middle of last week, the first sale generated 150 deals.

The intention, she said, is to have one sale per month at the warehouse, under the banner of NY Auto Outlet. She is thinking of new ways to promote the outlet, including special events tied to the sale. But the key is to have the customers become aware that it will be monthly and to expect it.

The outlet does not use the names of the dealerships in its advertising. The concept is to promote the outlet.

DEALERS

FROM PAGE 1

Following Hyundai, Mitsubishi and Toyota were Nissan in fourth place with 353 sales per dealer and Suzuki in the fifth spot with 338.

Honda's car sales declined to 317 from 332 in the first half last year, moving it from fifth to sixth place.

Ford Division led the domestics with an average of 309 cars and trucks sold per outlet. Although it only ranked seventh, Ford's dealerships sold an average of 24 more units per store in the first six months compared with a year ago.

In the first half of 1986, almost one-third of Honda's average sales per store were domestically produced cars. This year, almost 54 percent of Honda cars sold per dealer were made in the United States.

Eighth position in the ranking went to Acura, Honda's upscale brand, which averaged 304 sales per store. Acura sold almost 2½ times as many cars per store in the first six months than it did a year ago when its average was 125.

Chevrolet dropped to ninth place from seventh, with average car and truck dealership sales of 262 units versus 290 a year ago.

Mazda lost average car-truck sales per dealership and fell from ninth place with combined sales of 232. But it hung onto 10th place in the first half of this year, with 194 average sales per outlet.

In last year's first half, Oldsmobile ranked 10th with average sales of 175 per store. This year Oldsmobile dropped to 13th, with 120 car sales per dealership.

In the first half, seven of the top 10 manufacturers with the highest average sales per dealership were Japanese. One was Korean and two were domestic makes. A year ago, six were Japanese, one was Korean, and three were domestic. Two years ago, five of the top 10 were U.S. lines and five were Japanese.

New-car deliveries per dealership for the first half of 1987 averaged 192 for General Motors, a drop from 242 in last year's first half. Ford Motor Co. dealerships sold an average of 188 new cars, up five from 183 in the first half of 1986.

Chrysler Motors' dealerships sold 120 cars in the first half or 22 less than in the first half a year ago. American Motors-Renault turned over about half as many cars in this year's first half. Average sales per store dropped from 25 to 12. Volkswagen's domestic new-car deliveries slipped to 39 from 45 in the first six months of 1986. VW dealers also sold an average of 72 imported cars this year vs. 87 a year ago.

Looking at domestic sales of U.S.-built cars per dealer by market class (see accompanying table), Nissan Sentra took honors as the most popular subcompact with an average of 58 sales per dealer — almost double last year's first-half number. In addition, Nissan dealers sold an average of 54 imported Sentras this year, compared to 66 last year.

Honda Civic was close behind in the subcompact field with 55 and Volkswagen Golf, last year's leader, dropped to 30. Honda dealers also sold an average of 65 imported Civics vs. 130 last year.

Another favorite, Ford Escort, slipped from 43 to 42 for the first six months.

In the compact class, Honda Accord was favored for the second time, selling an average of 116 cars per outlet compared with 104 a year earlier. Honda dealers also sold an average of 49 imported Accords this year, compared with 57 last year.

Chevrolet Cavalier was next in popularity with 34, and Ford Tempo held onto third place with 27.

Cutlass Ciera stole the show in the intermediate class with 41 (53 in 1986), although Taurus rose from 22 sales per outlet to 38 in the first half. This year's new entry Corsica/Beretta managed 16 sales per store, putting it in ninth place among the intermediates.

Among standard-size cars, which all lost ground in the first six months, Olds 88 still led the way with an average of 28 sales per franchise. Following were Buick LeSabre, Mercury Grand Marquis and Chevrolet Caprice.

Cadillac held onto first position in the luxury class. It averaged 60 car sales per franchise, off 13 from last year's first-half number. The new Cadillac Allante managed averaged one car sold per outlet.

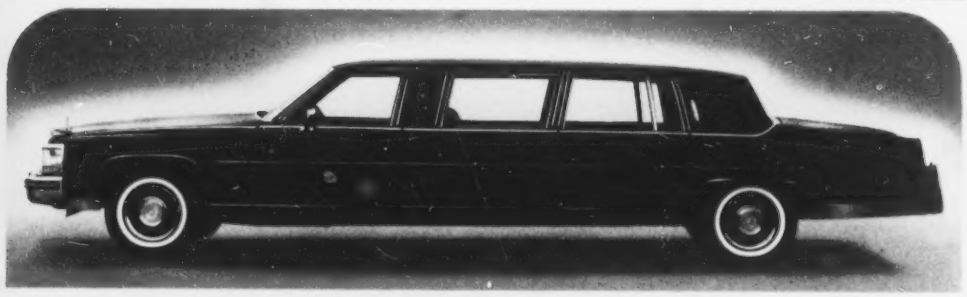
Sales per dealership are based on the average number of outlets from Jan. 1 to July 1.

CAR-TRUCK SALES PER OUTLET

First Half	1987	1986
1. Hyundai	730	433
2. Mitsubishi	436	418
3. Toyota	382	423
4. Nissan	353	339
5. Suzuki	338	316
6. Honda	317	332
7. Ford	309	285
8. Acura	304	125
9. Chevrolet	262	290
10. Mazda	194	232
11. Dodge	158	149
12. Volvo	150	155
13. Oldsmobile	120	175
14. Isuzu	114	141
15. Volkswagen	111	133
16. Mercedes	108	105
17. BMW	102	63
18. Subaru	99	117
19. Yugo	95	63
20. Buick	91	131
21. AMC-Jeep	88	92
22. Mercury	83	90
23. Cadillac	79	91
24. Plymouth	75	79
25. Jaguar	64	69
26. GMC	63	64
27. Saab	61	69
27. Audi	61	79
29. Lincoln	50	49
30. Chrysler	43	58
31. Porsche	40	45
31. Sterling	40	–
33. Alfa Romeo	23	26
34. Range Rover	20	–
35. Peugeot	16	24
36. Chevrolet Imports	12	16
37. Dodge Imports	10	11
38. Plymouth Imports	8	10
39. Merkur	7	9
40. Maserati	5	15
41. Renault	4	2
42. Ford Imports	2	–
42. Chrysler Conquest	2	–
44. Pontiac Imports	1	–

SALES PER OUTLET, U.S. CARS

First Half	1987	1986
Subcompact		
1. Sentra	58	23
2. Civic	55	–
3. Escort	42	43
4. Golf	30	45
5. Corolla FX	17	–
6. Nova	15	15
7. Lynx	12	12
8. Horizon	11	18
8. Alliance	11	24
10. Omni	9	16
10. Fiero	9	12
12. Daytona	6	7
13. Charger	5	8
14. Turismo	4	7
15. Chevette	3	8
16. Pontiac 1000	1	3
16. Laser	1	5
Compact		
1. Accord	116	104
2. Cavalier	34	41
3. Tempo	27	27
4. Mustang	21	20
5. Reliant	18	24
6. Aries	17	18
7. Sunbird	15	20
8. Firebird	14	18
8. Camaro	14	19
10. Sundance	13	–
10. Topaz	13	12
10. Shadow	13	–
13. LeBaron K	10	17
14. Jetta	9	–
15. Skyhawk	6	12
16. Cimarron	4	7
17. Firenza	3	6
18. Eagle	2	3
Capri	–	2
Intermediate		
1. Cutlass Ciera	41	53
2. Taurus	38	22
2. Grand Am	38	37
4. Celebrity	36	43
5. Century	25	41
6. Pontiac 6000	22	31
7. Cougar	19	22
8. Cutlass Supreme	18	37
9. Sable	17	17
9. Calais	17	20
11. Corsica/Beretta	16	–
12. Thunderbird	13	16
13. Somerset	12	22
14. New Yorker	10	9
15. LeBaron J	9	–
15. Regal	9	14
17. Monte Carlo	6	11
17. Caravelle	6	7
17. Dodge 600	6	12
17. LeBaron GTS	6	11
21. Lancer	5	8
22. Grand Prix	3	7
23. Marquis	1	3
LTD	–	4
Skylark	–	1
Standard		
1. Olds 88	28	36
2. LeSabre	22	18
3. Grand Marquis	21	21
4. Caprice	18	24
4. Bonneville/Paris.	18	15
6. Crown Victoria	14	14
7. Diplomat	2	5
8. Gran Fury	1	3
Luxury		
1. Cadillac	60	73
2. Lincoln	37	36
3. Electra	12	21
4. Olds 98	11	20
5. Mark VII	8	6
5. Seville	8	5
7. Fifth Avenue	7	16
8. Eldorado	6	6
9. Continental	4	6
9. Riviera	4	3
11. Toronado	3	2
11. Corvette	3	4
13. Allante	1	–



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MOLONEY COACHBUILDERS

TV ad spending climbs to record $1.2 billion in first half

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Television ad spending for new cars and trucks rose 21.31 percent in the first six months of 1987 to a first-half total of $1,178,906,400.

It was the first time that automotive spending for television advertising has topped $1 billion in the January-June period, according to statistics complied by the Television Bureau of Advertising from Broadcast Advertisers Reports.

The overall increase in television ad spending for cars and trucks was paced by the continued growth in spot television spending by the manufacturers and their dealer advertising associations.

In fact, the January-June period marked the first time that spot market spending exceeded network spending, according to the TV Bureau.

"There has been a complete turnaround in the way the car companies are spending their money," said Roger D. Rice, TV Ad Bureau president. "Instead of putting it all into network advertising, they are spending it market by market, and that's reflected in the development of strong dealer associations," Rice said.

"If you look back just three years, you can see the trend clearly," he said.

Spot, or market-by-market advertising, in the January-June period rose 31.61 percent to $524,710,200 from $398,677,800 in the same period of 1986.

see TV SPENDING, page 69

AUTOMOBILES — LEADING TV ADVERTISERS BY NAMEPLATE

January - June

	1987 Network TV	1987 Spot TV	1987 Natl. Synd.	1987 Total TV	% Change	1986 Network TV	1986 Spot TV	1986 Natl. Synd.	1986 Total TV
Chevrolet	$31,076,300	$27,432,200	$149,100	$58,657,500	+ 26	$23,041,800	$23,393,600	—	$46,435,400
Ford	31,428,500	23,674,200	789,700	55,892,400	−11	47,036,300	15,432,300	$682,100	63,150,700
Pontiac	21,922,800	22,679,700	73,500	44,676,000	+ 31	13,765,600	20,432,200	—	34,197,800
Nissan	16,314,800	27,117,500	—	43,432,300	+ 42	14,473,300	16,088,500	8,700	30,570,500
Oldsmobile	14,152,900	25,619,300	257,100	40,029,300	+ 13	14,611,500	19,775,700	976,000	35,363,200
Honda	20,663,200	17,507,400	—	38,170,600	+ 34	17,508,500	11,038,400	—	28,546,900
Toyota	7,222,500	28,236,800	895,300	36,354,600	+ 35	7,950,500	18,943,500	—	26,894,000
Hyundai	5,980,000	27,718,000	—	33,698,000	+179	—	12,071,600	—	12,071,600
Volkswagen	20,689,800	12,747,100	—	33,436,900	+ 25	18,249,100	8,452,700	—	26,701,800
Mercury-Merkur	20,456,300	11,682,200	490,000	32,628,500	− 3	23,431,600	9,933,600	255,500	33,620,700
Mazda	16,551,400	14,736,300	91,600	31,379,300	+100	9,870,300	5,785,400	—	15,655,700
Subaru	9,533,800	20,093,700	672,500	30,300,000	+ 51	5,269,300	11,751,300	—	20,020,600
Buick	16,777,200	10,087,700	—	26,864,900	+ 3	12,481,300	13,604,600	—	26,085,900
Dodge	17,025,100	7,011,500	—	24,036,600	+ 47	6,688,600	9,692,200	—	16,380,800
BMW	14,624,400	8,763,900	60,000	23,448,300	+ 90	6,055,100	6,272,900	—	12,328,000
Cadillac	9,742,600	11,350,400	—	21,093,000	+ 28	10,453,800	6,076,800	—	16,530,600
AMC - Renault	12,791,700	6,307,500	404,300	19,503,500	+ 8	13,919,600	4,151,300	—	18,070,900
Chrysler	12,904,700	5,749,800	—	18,654,500	+ 72	8,671,200	2,174,100	—	10,845,300
Acura	11,618,200	2,875,900	—	14,494,100	+124	2,546,300	3,935,000	—	6,481,300

NOTE: Expenditures for television commercials advertising two nameplates or vehicle types have been divided between the two brands. Includes leasing.
SOURCE: Television Bureau of Advertising special analysis of data compiled by Broadcast Advertisers Reports.

LEADING TV ADVERTISERS — CAR, TRUCK & VAN MAKERS AND DEALER ASSOCIATIONS

January - June

	1987 Network TV	1987 Spot TV	1987 Natl. Synd.	1987 Total TV	% Change	1986 Network TV	1986 Spot TV	1986 Natl. Synd.	1986 Total TV
General Motors†	$112,841,400	$117,210,000	$2,030,900	$232,082,300	+ 19	$ 93,490,700	$100,841,300	$ 1,341,200	$195,673,200
Ford Motor Co.†	83,428,100	67,008,200	1,990,100	152,426,400	− 1	104,861,200	48,238,600	941,600	154,041,400
Chrysler Corp.	66,028,600	37,977,700	635,400	104,641,700	+ 40	43,347,900	31,395,000	59,100	74,803,000
Nissan Motor Co.†	26,080,800	48,886,600	—	74,967,400	+ 11	26,012,500	41,331,800	228,700	67,573,000
Toyota Motor Sales†	13,942,800	54,993,700	1,634,200	70,570,700	+ 11	13,280,500	50,169,800	106,500	63,556,800
Honda Motor Co.†	32,281,100	20,383,600	—	52,664,700	+ 50	20,054,800	14,973,400	—	35,028,200
Mazda Motor Corp.	24,461,900	19,113,200	106,800	43,681,900	+ 50	16,917,600	12,216,200	—	29,133,800
Volkswagen A.G.†	24,436,900	16,319,000	—	40,755,900	− 6	27,627,500	15,747,700	—	43,375,200
American Motors	24,195,300	12,706,700	799,200	37,701,200	+ 1	28,387,600	8,887,200	—	37,275,000
Hyundai Corp.	5,980,000	27,718,000	—	33,698,000	+179	—	12,071,600	—	12,071,600
Subaru	9,533,800	20,093,700	672,500	30,300,000	+ 45	8,269,300	12,669,100	—	20,938,400
BMW†	14,624,400	8,763,900	60,000	23,448,300	+ 90	6,055,100	6,272,900	—	12,328,000
Mitsubishi Corp.†	4,543,400	17,908,600	—	22,452,000	+106	—	10,877,000	—	10,877,000
Isuzu Motor Co.	4,285,900	11,406,300	—	15,692,200	+113	1,463,200	5,891,000	—	7,354,200
Daimler-Benz A.G.	11,411,000	3,072,900	—	14,483,900	+ 52	7,699,000	1,811,500	—	9,510,500
Suzuki Motor Co.	302,500	11,403,500	—	11,706,000	+183	—	4,138,800	—	4,138,800
TOTAL	$463,005,800	$524,710,200	$7,929,000	$995,645,000	+ 24	$402,811,400	$398,677,800	$2,677,100	$804,166,300

† Includes television advertising for new passenger cars, trucks and vans and leasing of these vehicles. Non-car and non-truck advertising by these companies is excluded, as follows: General Motors $17,464,000 in 1986 and $19,386,500 in 1987 for AC Delco, used cars, parts & service, Mr. Goodwrench, GMAC Financing, public service and GM Canada; Ford Motor Co. $5,572,800 in 1986 and $607,700 in 1987 for First Nationwide, Motorcraft, parts and service, used cars, tractors, Sperry farm equipment, Transouth, St. Louis Federal S&L; Nissan Motor $148,100 in 1986 and $28,800 in 1987 for parts and service, used cars; Toyota Motor $512,100 in 1986 and $1,086,700 in 1987 for parts and service, used cars and trucks; Honda Motor $22,760,100 in 1986 and $15,214,900 in 1987 for generators, mowers, motorcycles, tractors, snow removal equipment, scooters, parts & service, all terrain vehicles; Volkswagen $3,500 in 1986 for Royal Copiers; BMW $515,000 in 1986 for motorcycles and used cars and Mitsubishi $6,600 in 1986 and $2,000 in 1987 for color TV and tractors.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

TRUCKS, VANS, SPORT-UTILITIES — LEADING TV ADVERTISERS BY NAMEPLATE

January - June

	1987 Network TV	1987 Spot TV	1987 Natl. Synd.	1987 Total TV	% Change	1986 Network TV	1986 Spot TV	1986 Natl. Synd.	1986 Total TV
Ford	$15,902,300	$21,969,900	$ 330,000	$38,202,200	+ 10	$21,781,000	$12,879,800	$ 4,000	$34,664,800
Toyota	6,720,300	26,756,900	—	33,477,200	− 9	5,330,000	31,226,300	106,500	36,662,800
Dodge	17,387,500	14,826,600	—	32,216,100	+ 85	8,672,100	8,707,100	—	17,379,200
Nissan	9,766,000	21,769,100	—	31,535,100	− 15	11,539,200	25,243,300	220,000	37,002,500
Chevrolet	15,097,500	11,851,100	1,240,800	28,189,400	+ 1	14,880,500	12,628,400	284,800	27,793,700
Jeep	11,403,600	6,399,200	394,900	18,197,700	− 5	14,468,200	4,735,900	—	19,204,100
Mazda	7,910,500	4,376,900	15,200	12,302,600	− 9	7,047,300	6,430,800	—	13,478,100
Suzuki	302,500	11,390,200	—	11,692,700	+183	—	4,138,800	—	4,138,800
Isuzu	3,140,900	7,531,600	—	10,672,500	+ 83	1,463,200	4,372,500	—	5,835,700
Mitsubishi	4,543,400	5,408,300	—	9,951,700	+ 95	—	5,095,600	—	5,095,600
GMC	505,200	7,824,800	310,400	8,640,400	+ 87	—	4,544,800	76,200	4,621,000
Plymouth	6,137,800	283,500	—	6,421,300	+ 23	5,003,500	201,500	—	5,205,000

NOTE: Expenditures for television commercials advertising two nameplates or vehicle types have been divided between the two brands.
SOURCE: Television Bureau of Advertising special analysis of data compiled by Broadcast Advertisers Reports.

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LEADING AUTO DEALER TELEVISION ADVERTISERS

January - June

	1987	1986	Percent Change
Cal Worthington - Los Angeles	2,039,400	2,027,200	+ 4
Wilson Ford - Los Angeles	1,534,900	1,243,500	+ 23
Frontier Ford - Dallas	1,513,200	910,300	+ 66
Rosenthal Autos - Washington DC	1,324,100	617,900	+114
Pete Ellis Motors - Los Angeles	1,185,000	828,700	+ 43
Potamkin - New York	1,057,800	981,100	+ 8
Cal Worthington - Seattle	1,049,600	1,372,200	- 24
Foothill Nissan - Los Angeles	1,044,000	640,800	+ 63
Sonoyta Subaru - Phoenix	862,200	511,900	+ 68
Nationwide Motor Sales - Baltimore	841,700	375,900	+124
Cal Worthington - Sacramento	829,500	1,461,900	- 43
Celozzi-Ettleson Chevrolet - Chicago	765,400	791,800	- 4
Piemonte Ford - Chicago	687,300	556,000	+ 24
Jerry's Chevrolet - Baltimore	636,300	502,600	+ 27
Ocean Cadillac - Miami	601,300	505,900	+ 19
Kott Ford - Los Angeles	585,600	265,800	+120
TOTAL	$183,261,400	$167,660,500	+ 9

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 75 markets.

It's a 'class' study at NHTSA

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

ANN ARBOR, Mich. — NHTSA is thinking about changing the 20-year-old way it classifies cars and trucks.

It already has granted a petition from the Insurance Institute for Highway Safety to reconsider how it classifies passenger cars, trucks and multipurpose passenger vehicles.

The powerful agency will make a concerted effort to learn if its category system still is appropriate in today's fast-lane manufacturing and marketing pace.

Any changes will be important to vehicle makers and retailers because safety regulations vary widely by vehicle classification.

An advance rule-making package on classifications will be ready for public review by mid-October, Barry Felrice, assistant administrator for rule making, told a meeting with industry technical representatives here.

It will include seven or eight alternatives, he said.

"We're looking at everything from simply eliminating the multipurpose passenger-vehicle category to setting up subcategories of passenger cars, perhaps setting up a light-truck category — trucks under 10,000 pounds or 8,500 pounds gross vehicle weight.

"We're looking at the issue of off-road use and maybe there should be separate categories for vehicles with off-road capabilities. And, if so, how should one define off-road capabilities? Is the presence of four-wheel drive sufficient?

"Is a passenger car with 4wd significantly different from other passenger cars that it should have a separate category?

"We're looking at retaining the MPV vehicle category but maybe redefining what goes in it. The basis for any redefinition into subcategories could include anything from weight rating cutoffs — gross vehicle weight, curb weight or unloaded weight — or height above ground.

"You put all these variances together and you have a huge matrix of what could be done. We believe the subject is very complicated. There are no simple answers," Felrice said.

"For example, the MPV category includes vehicles that have little relation to each other. There are minivans used either as substitutes for station wagons, which are passenger cars, or for carrying cargo. It includes full-size vans and utility vehicles. Those have little resemblance to each other," he said.

TV SPENDING

FROM PAGE 68

Spot market spending accounted for 44.51 percent of total automotive television ad spending in the period.

Total network spending in the first half of 1987 was $463,005,800, up 14.94 percent from $402,811,400 in the same period of 1986. Network spending in the first half of the year accounted for 39.27 percent of all automotive television spending in the United States.

Among the largest television advertisers, General Motors, Nissan, Toyota, Hyundai, Subaru, Mitsubishi, Isuzu, Suzuki and their dealer associations spent more in the spot markets than on network.

However, Ford Motor Co., Chrysler Motors, Honda, Mazda, Volkswagen, American Motors, BMW and Mercedes-Benz spent more on network advertising.

Local-market spending by individual dealers rose 9.30 percent to $183.3 million from $167.7 million in the same period one year ago, and accounted for 15.55 percent of total television spending.

The remainder of the television ad expenditures were for national syndication spots by automotive companies. Syndication spending in the first half of the year was up 192.59 percent to $7.9 million from $2.7 million last year, according to the TV Bureau.

Much of the growth in that market came from manufacturers and importers that used syndication in 1986: GM, Ford, Chrysler and Toyota.

However, TV Bureau analysis showed no 1987 spending on syndication packages by Nissan, which did buy syndication in 1986.

In addition, Mazda, Subaru, AMC and BMW all showed 1987 syndication spending that was not shown in the same period of 1986.

In the individual dealer spending category, pioneer television ad spender Cal Worthington, Los Angeles, again led the pack with more than $2 million in local ad spending during the first half of 1987. Two other Cal Worthington operations — in Seattle and Sacramento — also made the TV Bureau's list of big spenders, although spending by those two operations declined in the January-June period.

The biggest local-market spending increases were posted by Nationwide Motor Sales, Baltimore; Kott Ford, Los Angeles; and Rosenthal Autos, Washington.

The TVB statistics are derived from Broadcast Advertisers Reports that come from monitoring network and local television broadcasts.

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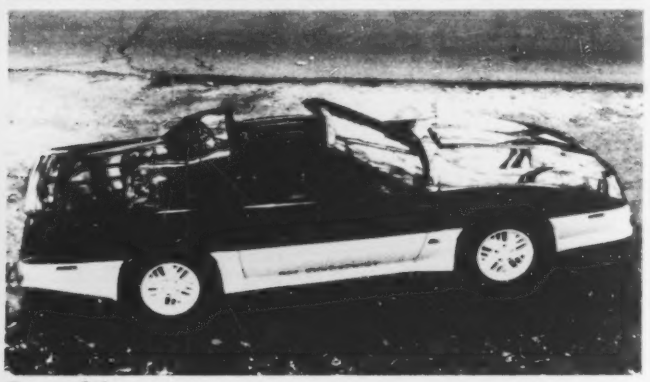

Eurosprint

Recreational Designs, White Pigeon, Mich., has added the Eurosprint to its line of specialty styling concepts. Based on the standard Firebird (pictured) or Camaro, the styling package includes full ground effects, hood scoop, front fender louvers, rear hatch with trunk rack and spoiler, side molding panels, exhaust pipes, two-tone paint, wheels and tires. The two-seater version features a trunk that opens like the factory hatch and also offers access to the trunk from the passenger compartment. Eurosprint vehicles are available through new-car dealers.

AUCTION DATES

American Motors

Sept. 15 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 16 — Columbus Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Sept. 17 — Corry Auto Auction, Corry, Pa.

Sept. 22 — D-A Auto Auction, New Stanton, Pa.

Sept. 23 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Sept. 25 — St. Louis Auto Auction, St. Louis

Sept. 29 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Used Car Sales
Auction Averages

Sept. to date	$6,054
Month ago	$6,052
Year ago	$5,235

Sept. 30 — Kansas City Auto Auction, Kansas City, Mo., and Columbus Auto Auction, Columbus, Ohio

Ford Motor Co.

Sept. 16 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,546	$11,726	$11,512
1986	$8,886	$8,934	$9,032
1985	$7,358	$7,385	$7,394
1984	$5,751	$5,754	$5,756
1983	$4,981	$5,016	$5,081
1982	$3,637	$3,648	$3,684
1981	$2,611	$2,632	$2,642
1980	$2,056	$2,072	$2,068
Overall Average	$6,054	$6,070	$6,030

Sept. 17 — 166 Auto Auction, Springfield, Mo.

Sept. 23 — Columbus Fair Auto Auction, Obetz, Ohio, and Lakeland Auto Auction, Lakeland, Fla.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; Bay Cities Auto Auction Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

Sept. 29 — South Seattle Auto Auction, Kent, Wash.

Sept. 30 — Northway Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

General Motors

Sept. 15 — Florida Auto Auction of Orlando, Ocoee, Fla., and Harrisonburg Auto Auction, Harrisonburg, Va.

Sept. 16 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Sept. 17 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston, Texas; and Nashville Auto Auction, Nashville, Tenn.

Sept. 22 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Sept. 23 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; Southern California Auto Auction, Fontana, Calif.; and Indianapolis Auto Auction, Indianapolis

Sept. 24 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Sept. 29 — Harrisonburg Auto Auction, Harrisonburg, Va., and Florida Auto Auction of Orlando, Ocoee, Fla.

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Chicago auction slates limo sale

CHICAGO — Arena Auto Auction will host a limousine sale here on Oct. 2.

Limousines will be consigned to the sale from corporate fleets, manufacturers, financial institutions and leasing and rental companies. The auction will be open to the public as well as to dealers.

For more information, call Alan Ulman, (404) 688-7820.

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Inventories hit 9-month low

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Sept. 1 stockpile of cars built in the United States was the lowest in nine months. Domestic inventories also were slimmer than a year ago. In fact, stocks were the leanest they have been since November 1986.

Making way for 1988 model introductions, September opened with an inventory of 1,436,835 domestic cars, an 57-day supply, which was two weeks shorter than last month's 71-day supply.

The stockpile dropped 13.34 percent below the previous month's 1,657,974 cars on hand. September's inventory of U.S.-built cars dipped 7.73 percent below the stock in the same month a year ago. Last year, the September inventory was 1,557,291, a 60-day supply and a low point for that year.

Leaner inventories matched with low production numbers — August car output was the lowest for the month in five years — could be cause for concern in light of Ford Motor Co. and General Motors contract negotiations with the UAW and the possibility of strikes, especially at Ford, the union's target.

Auto analyst Ann Knight, Paine-Webber Inc., pointed out that "incentives got things moving" last month. Asked whether the low inventories mean Ford or GM were caught off guard, she said, "It's important to realize that automakers were not planning an inventory level around a strike. They couldn't predict whether a strike would occur."

Another analyst, Michael M. Luckey, Shearson Lehman Brothers, said: "Most of us were surprised by the programs GM introduced in early August. Our feeling was that it would have made more sense for GM to wait and see. GM could have been the target.

"GM's stocks were clearly excessive. Ford's inventories have been tight all year. Ford had to match GM's incentives to stay competitive. But I don't think there's going to be a strike. If there is, their supply could become tight very quickly."

Many dealers said their stocks are down, but said they were not worried about a strike seriously depleting them.

By company, Sept. 1 domestic-car inventories were divided this way: GM, 54.80 percent; Ford, 24.94 percent; Chrysler Motors (including Eagle Division), 16.67 percent; Nissan, 1.30 percent; Volkswagen, 1.03 percent; Honda, 0.64 percent, and Toyota, 0.62 percent.

Last month's split was: GM, 56.10 percent; Ford, 25.55 percent; Chrysler, 13.75 percent; Nissan, 1.29 percent; Volkswagen, 1.16 percent; AMC, 0.85 percent; Honda, 0.78 percent, and Toyota, 0.52 percent.

Shares by size class Sept. 1 were: subcompact, 16.31 percent; compact, 18.14 percent; intermediate, 44.30 percent; standard, 11.59 percent, and luxury, 9.66 percent.

Both GM and Ford reduced their inventories by more than 15 percent from Aug. 1 to Sept. 1. GM had an estimated 787,400 cars on hand Sept. 1, a 59-day supply. A month earlier the biggest of the Big 3 carried about 930,150 units, a 78-day supply. On Sept. 1, 1986, it had a 63-day stockpile.

Ford's inventories dwindled to an estimated 358,400 cars, an 51-day stock, down from Aug. 1, when it had about 423,600 cars, an 62-day supply. Ford's stocks also diminished from last year's 57-day stockpile.

All inventory numbers include finished cars at factories, those en route to dealers and on dealer lots.

DOMESTIC DAYS' SUPPLIES

	Sept. 1, 1987	Aug. 1, 1987	Sept. 1, 1986
Alliance	115	147	159
Eagle	157	151	149
Premier	0	0	0
Total Eagle	119	148	142
Horizon	28	28	27
Sundance	47	51	66
Turismo	59	111	68
Reliant	128	64	66
Caravelle	86	60	86
Gran Fury	51	39	63
Total Plymouth	74	59	53
Laser	0	0	122
LeBaron K	64	63	55
LeBaron J	87	125	0
LeBaron GTS	128	107	79
Fifth Avenue	67	93	61
New Yorker E	130	160	64
Total Chrysler	69	106	68
Omni	32	29	30
Shadow	50	48	56
Charger	61	101	67
Daytona	86	89	77
Aries	114	65	66
Lancer	122	95	92
Diplomat	53	70	63
Dodge 600	76	79	81
Total Dodge	78	68	82
CHRYSLER MTRS.	83	84	62
Escort	52	71	47
Mustang	45	40	39
Tempo	46	56	63
Taurus	54	68	75
Thunderbird	51	69	70
LTD	0	0	49
Crown Victoria	48	38	59
Total Ford Div.	51	61	57
Lynx	55	74	61
Topaz	62	69	61
Sable	71	93	64
Cougar	44	66	52
Capri	0	0	83
Marquis	0	0	50
Grand Marquis	32	45	44
Total Mercury	52	68	55
Continental	45	56	72
Lincoln	48	46	62
Mark VII	48	44	80
Total Lincoln	48	46	65
Total L-M Division	51	63	57
FORD MOTOR CO.	51	62	57
Skyhawk	78	99	90
Somerset Regal	74	95	77
Century	80	123	67
Regal	66	57	101
LeSabre	52	77	77
Electra	69	94	67
Riviera	60	71	78
Total Buick	67	91	76
Cimarron	54	100	64
Allante	199	185	0
Seville	71	71	119
Cadillac	44	100	66
Eldorado	49	62	83
Total Cadillac	47	95	72
Chevette	69	81	95
Nova	52	40	47
Cavalier	59	88	64
Camaro	66	69	69
Celebrity	70	91	42
Corsica/Beretta	57	62	0
Monte Carlo	116	120	85
Chevrolet	47	77	76
Corvette	110	117	93
Total Chevrolet	62	74	60
Firenza	106	125	84
Calais	43	62	41
Cutlass Ciera	47	93	47
Cutlass Supreme	88	56	59
Olds 88	40	67	64
Olds 98	48	80	73
Toronado	64	58	129
Total Oldsmobile	50	75	58
Fiero	71	89	76
1000	84	83	106
Sunbird	51	80	79
Firebird	52	58	62
Grand Am	45	43	33
6000	90	107	50
Bonn./Gr. Prix	109	138	0
Grand Prix	0	0	136
Parisienne/Bonn.	83	118	57
Total Pontiac	64	76	56
GENERAL MTRS.	59	78	63
VOLKSWAGEN	80	75	59
HONDA	8	13	8
NISSAN	38	51	—
TOYOTA	66	68	0
DOM. TOTAL	57	71	60
Subcompact	44	53	51
Compact	63	68	64
Intermediate	65	84	39
Standard	50	57	66
Luxury	54	81	71

TALKS

FROM PAGE 1

the same or increase, but it could not decrease, even through attrition. Ford would have to call back a worker on layoff or hire a new worker for every one who retires. The guaranteed number would be broken down by plant and unit, Bieber said.

Ford has indicated it will require strong language on flexible work rules in exchange. Ford has also said it must maintain quality and the flexibility to outsource when necessary.

Russ Leone, chairman of the tool and die unit of UAW Local 600, which represents the Rouge complex, said that flexible work rules and the combining of job classifications were being addressed at the national level.

He said that once the principle of work-rule flexibility, including the team concept, was established at the national level, the locals would have to "work it out."

Bieber said he thought he could take the proposal on job guarantees and fit it to General Motors, without necessarily "dotting every 'i.'"

But GM Chairman Roger Smith said last week that GM's high degree of vertical integration makes it different from Ford and that GM requires a different contract.

Asked whether GM could guarantee a certain number of jobs, Smith answered, "Not in any meaningful amount because of the cyclical nature of the automotive industry."

But if Ford workers get a job guarantee, GM workers will expect the same.

A coalition of local union presidents at GM plants, headed by Pete Kelly (Local 160 — Tech Center), Donny Douglas (Local 594 — Pontiac), Dave Yettaw (Local 599 — Flint) and David Frey (Local 735 — Ypsilanti), told reporters at a press conference Friday that they will accept nothing less than what Ford workers get.

"We have enough people concerned about the direction of this union to affect ratification" of the GM contract, Douglas said.

The situation seemed less threatening at Ford. Leone said the Rouge local's executive board met last Thursday to set up the mechanics for going on strike, "but it doesn't sound like they're really serious."

For instance, he said, the international has not set up any support system to keep the Rouge Steel plant operating in the event of a strike at Ford. Rouge Steel's contract stipulates that the plant — which supplies other customers besides Ford — will keep operating though Ford may be on strike.

A Ford Diversified Operations spokesman said Ford submitted to the UAW a list of plants that supply Chrysler Motors and GM.

Ford has 17 assembly plants and 37 manufacturing plants in the United States. A nationwide strike would soon affect facilities in Canada, according to a Ford of Canada spokesman.

He said that because of reduced inventories, most Ford plants could not operate more than three days in the event of a strike.

Michael M. Luckey, an analyst with Shearson Lehman Brothers said a conservative estimate is that Ford would lose $15 million a day if its U.S. plants shut down.

Staff Reporter Dave Versical contributed to this article.

Korean labor unrest ends; Hyundai, Daewoo operating

By Oles Gadacz
SPECIAL CORRESPONDENT

SEOUL, South Korea — Hyundai Motor Co. and Daewoo Motor Co. resumed operations last Wednesday, bringing an end to a series of strikes that started in August.

About 8,000 Daewoo workers reported for work at the Pupyong plant, 30 miles east of Seoul. The month-long suspension of operations at Daewoo meant a loss of 51 billion won (about $63 million), company officials said. Another source placed the loss at 103 billion won ($128 million).

Hyundai's Ulsan plant, which halted operations for 11 days, is turning out 2,000 to 2,300 cars per day. The company had been crippled by on-again, off-again operations, but assembly plants are now running two 10-hour shifts a day.

The Daewoo plant was hit by a violent protest on Sept. 3. Eighteen executives including the company president, Kim Chong-Ung, were detained by workers before being freed by police. Production is steadily returning to normal, but it will be a few days before full production of 850 units a day is reached.

One problem that remains to be ironed out is the election of a new union at the Daewoo plant. The chairman of the workers' union resigned Sept. 6, clearing the way for a new election of union representatives and a possible rewriting of the company's rules on the election of union officials.

All workers will vote Sept. 21 on whether to elect new union officials by a direct or indirect method. Currently, union officials are elected by a committee that is installed by a vote among workers.

Hyundai's 15,000 workers selected a new union chairman last Tuesday. He is described as somewhat moderate in his views, a Ministry of Trade and Industry official said.

Kia Motors' Sohari plant has been operating at below capacity since August. The erratic parts supply situation is responsible for the slowdown.

While workers are demanding higher wages at Korea's auto plant, analysts are cautioning about the adverse impact of such wage increases on Korea's auto export goals. The nation had set its sights on exporting $3.3 billion worth of cars this year.

According to a report released by the Korea Institute for Economics and Technology, a 10 percent wage increase will result in a $35 million drop in automobile export sales. In addition, the strikes are expected to cut Korea's exports to 550,000 units for 1987, 100,000 fewer than was predicted earlier this year.

PRODUCTION

Labor Day cuts car build

By Karen Detkowski
SPECIAL CORRESPONDENT

Last week's targeted domestic auto production totaled 113,077, 10.15 percent less than the previous week's output of 125,852. Production was reduced due to the short work week in observance of Labor Day.

The automakers' estimated output last week was 25.12 percent below the 151,008 produced in the year-ago week, which was not shortened by a holiday.

Last week's targeted production was split as follows: General Motors, 50.41 percent; Ford Motor Co., 25.46 percent; Chrysler Motors, 15.74 percent; Honda of America Manufacturing Co., 4.16 percent; New United Motors Manufacturing Inc., 2.39 percent; and Nissan Motor Manufacturing Co., U.S.A., 1.84 percent.

As reported earlier, Volkswagen of America's Westmoreland, Pa., remains idle until Sept. 21, for model changeover.

Ford scheduled daily overtime at all its assembly plants excluding the Lorain, Ohio; Kansas City, Mo.; and Chicago plants.

Chrysler will resume production of its Omni and Horizon America models this week in their new home, Kenosha, Wis., a former American Motors plant. Production ended March 6 at Chrysler's Belvidere, Ill., plant.

Chrysler began production Sept. 8 on its new Dodge Dynasty model at the Belvidere plant. Belvidere began assembling the Chrysler New Yorker in mid-August

Chrysler slated daily overtime this week at its St. Louis No. 2 and Kenosha (Wis.) No. 1 plants. Each is scheduled to work two nine-hour shifts. St. Louis No. 2 also was scheduled to work two shifts last Saturday.

GM's Arlington, Texas, plant resumes production today, building the 1988 Chevrolet Caprice Classic sedan and wagon and the Oldsmobile Custom Cruiser. The Framingham, Mass., assembly plant resumes operation today after being down for model changeover. The Tarrytown, N.Y., assembly plant will go down today for two weeks for rebalancing of the line; the production rate will be reduced when the plant reopens.

GM reported production of 25 units of its new GM10 Pontiac Grand Prix in the week ended Sept. 5. Those were pre-production models. Regular production is scheduled to begin Oct. 5.

Truck output dips in short week

Truckmakers scheduled production of 61,439 units last week, 9.05 percent below the previous week's 67,550 and 21.86 percent below the year-ago week's 78,625.

Plants were closed on Monday for Labor Day.

Ford slated daily overtime at all of its truck plants this week and Saturday overtime last week at its Louisville, Ky., plant. Ford also scheduled overtime next Saturday for its Michigan truck plant in Wayne, Mich.

General Motors scheduled Saturday overtime last Saturday at its Baltimore plant.

Holiday trims Canadian assembly

Automakers in Canada scheduled production of 13,272 cars last week, 6.32 percent below the previous week's build of 14,167. The total was 34.48 percent below the 21,574 turned out in the year-ago week.

Scheduled truck production also was off with 13,177 assembled last week, 10.15 percent below the previous week's 14,665 and 7.26 percent below the year-ago week's 14,208.

All car and truck assembly plants were closed last Monday for the Labor Day holiday.

CANADIAN CAR	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
CHRYSLER	80	119	100	180	2,823	3,806
FORD MOTOR	4,404	9,743	4,802	9,206	364,553	308,847
GENERAL MOTORS	8,288	11,487	8,810	17,098	355,988	192,547
HONDA	320	0	230	550	0	9,819
VOLVO	180	225	225	405	7,081	7,047
Total Cars, Canada	13,272	21,574	14,167	27,439	730,445	522,066
U.S. TRUCK☆	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
CHEVROLET	12,703	25,240	15,599	28,302	831,745	785,471
DODGE	6,000	5,602	7,902	13,902	75,569	188,348
FORD	26,988	30,434	28,259	55,247	1,008,379	1,021,805
GMC	6,350	7,387	4,938	11,288	256,964	264,383
NAVISTAR	1,344	1,628	1,311	2,655	50,652	50,774
JEEP	3,600	3,909	4,651	8,251	128,130	154,478
NISSAN	1,704	1,895	2,140	3,844	84,179	80,154
AM GENERAL*	450	50	450	900	1,812	10,710
MISCELLANEOUS*	2,300	2,300	2,300	4,600	82,340	82,500
Total Trucks, U.S.	61,439	78,625	67,550	128,989	2,519,770	2,618,603
CANADIAN TRUCK	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
JEEP	600	786	692	1,292	19,694	23,420
CHRYSLER	4,340	8,512	6,927	11,267	280,498	278,631
FORD	2,889	3,563	1,949	4,837	115,169	102,194
GENERAL MOTORS	5,169	1,136	4,972	10,041	173,980	164,659
NAVISTAR	180	201	225	405	6,620	6,582
Total Trks., Canada	13,177	14,208	14,665	27,842	595,960	595,486
U.S., Canada Trks.	74,616	92,833	82,215	156,831	3,115,720	3,184,089

☆—Includes station van production. *—Estimated.
Jeep includes commercial only. All General includes commercial vehicles.
Miscellaneous includes estimates for Isuzu, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Navistar production may exclude some of cars or trucks sold to customers.

U.S. CAR	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
AMERICAN MOTORS	0	0	0	0	36,955	15,394
Renault Total	0	0	0	0	36,955	15,894
Alliance	0	0	0	0	33,608	15,904
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	17,600	25,988	22,443	40,243	945,176	739,724
Plymouth Total	4,800	9,463	5,653	10,253	288,988	218,022
Horizon	100	3,712	0	100	121,672	33,097
Sundance	1,400	1,044	1,696	3,096	11,311	64,902
Reliant	2,600	3,296	3,127	5,727	110,893	82,245
Caravelle	400	864	580	980	31,732	33,499
Gran Fury	100	545	250	350	13,377	4,279
Chrysler Total	7,200	6,408	9,071	16,271	292,105	253,932
Laser	0	0	0	0	27,239	0
LeBaron K	800	904	988	1,788	67,548	49,800
LeBaron J	2,000	0	2,449	4,449	0	79,794
LeBaron GTS	800	1,394	806	1,406	51,443	27,951
N. Yorker E-Class	1,200	1,260	1,775	2,976	53,575	56,522
N. Yorker C-Class	900	0	731	1,631	0	2,011
Fifth Avenue	1,700	2,850	2,318	4,018	92,300	38,054
Dodge Total	6,000	10,097	7,719	13,719	384,086	267,770
Daytona	1,400	0	1,803	3,003	30,807	40,375
Omni	100	3,745	0	100	117,526	28,463
Shadow	1,400	967	1,811	3,211	10,066	88,933
Aries	1,900	2,530	2,678	4,578	87,763	76,225
Dodge 600	400	765	515	915	50,853	29,995
Dynasty	100	0	143	243	0	382
Lancer	400	807	489	896	27,671	17,484
Diplomat	300	1,283	460	760	29,600	7,923
FORD MOTOR	28,788	29,135	31,989	60,778	1,258,070	1,277,805
Ford Division	21,600	20,733	22,860	44,460	863,171	908,287
Escort	7,521	5,019	8,639	16,160	272,885	262,553
Mustang	4,435	3,213	4,584	9,019	136,150	149,082
Tempo	716	3,599	0	716	139,086	100,546
Taurus	6,696	8,902	7,109	13,805	210,620	286,966
Thunderbird	2,232	0	2,548	4,780	104,470	109,140
L-M Division	7,188	8,402	9,109	16,298	394,899	369,318
Mercury Total	3,628	4,339	4,917	8,746	272,440	242,844
Lynx	0	597	0	0	46,116	21,352
Capri	0	0	0	0	12,479	0
Topaz	228	934	0	228	41,297	33,084
Cougar	2,205	0	2,558	4,763	86,951	97,328
Sable	1,398	2,808	2,359	3,757	85,597	91,080
Lincoln Total	3,360	4,063	4,192	7,552	122,459	126,474
Continental	0	407	0	0	13,582	9,616
Lincoln	2,801	3,047	3,493	6,294	91,851	97,485
Mark VII	559	609	699	1,258	17,046	19,379
GENERAL MOTORS	57,006	82,930	59,734	116,742	2,959,145	2,395,027
Buick Total	10,797	16,763	12,436	23,232	551,298	391,873
Skyhawk	1,000	1,370	855	1,855	60,801	20,931
Century	2,378	4,278	3,037	5,415	168,095	118,693
Regal (rwd)	500	0	563	1,063	42,952	31,521
Somerset/Skylark	1,432	2,540	1,200	2,632	77,345	43,025
LeSabre (fwd)	3,600	4,556	4,665	8,265	108,290	99,385
LeSabre (rwd)	124	418	131	255	10,966	6,379
Electra (fwd)	1,531	3,601	1,946	3,477	61,941	62,966
Riviera	232	0	238	470	19,487	8,971
Cadillac Total	5,113	5,819	5,385	10,498	230,777	182,006
Cimarron	218	542	152	370	17,880	8,064
Allante	120	0	68	188	0	3,629
Brougham (rwd)	1,440	1,105	1,770	3,210	60,039	48,099
DeVille (fwd)	2,612	3,563	2,679	5,291	117,268	97,521
Eldorado	392	0	395	787	18,513	11,321
Seville	331	0	321	652	17,077	13,372
Chevrolet Total	20,894	29,594	21,594	42,488	907,497	930,159
Chevette	0	2,662	0	0	70,617	0
Camaro	2,024	3,463	2,056	4,080	127,688	85,696
Cavalier	4,823	6,164	3,544	8,367	285,569	216,695
Celebrity	3,418	7,982	4,253	7,671	175,055	208,192
Corsica/Beretta	6,108	0	7,189	13,297	0	222,923
Monte Carlo	1,361	1,206	1,611	2,972	82,897	48,394
Chevrolet	2,848	5,482	2,941	5,589	146,910	129,299
Corvette	512	635	0	512	18,761	18,960
Oldsmobile Total	9,242	14,653	9,357	18,599	718,707	430,965
Firenza	248	916	282	530	27,285	3,735
Calais	2,408	3,140	1,707	4,115	83,846	78,115
Cutlass Ciera	0	3,394	0	0	180,797	99,968
Cutlass Supreme	1,340	719	1,518	2,858	90,348	53,209
88 (fwd)	3,306	3,810	3,880	7,186	228,611	118,328
88 (rwd)	0	330	0	0	13,621	10,656
Olds 98	1,671	2,344	1,890	3,361	80,154	47,684
Toronado	269	0	280	549	14,045	10,678
Pontiac Total	10,962	16,710	10,963	21,925	550,866	460,024
Acadian*	0	332	0	0	11,031	0
Fiero	85	1,420	0	85	47,845	20,774
1000	0	708	0	0	15,022	0
Firebird	1,208	987	1,122	2,330	80,011	56,822
2000 Sunbird	1,263	3,603	1,075	2,338	98,373	63,017
Grand Am	3,840	5,868	3,561	7,401	156,174	166,559
6000	2,016	3,439	2,337	4,353	99,474	56,521
Bonneville	2,400	0	2,704	5,104	0	89,478
Safari/Parisienne	150	353	164	314	42,936	6,853
HONDA	4,700	5,633	6,226	10,926	147,462	230,736
Civic	35	0	40	75	0	71,505
Accord	4,665	5,633	6,186	10,851	147,462	159,231
NISSAN	2,080	1,576	2,685	4,765	26,812	92,487
NUMMI	2,700	3,731	2,775	5,475	142,613	139,041
Corolla	700	0	719	1,419	0	29,344
Nova	2,000	3,731	2,056	4,056	142,613	108,697
VOLKSWAGEN	0	2,035	0	0	57,922	43,129
Golf/GTI	0	2,035	0	0	57,922	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	113,077	151,008	125,852	238,929	5,574,155	4,932,743
Total Cars, Canada	13,272	21,574	14,167	27,439	730,445	522,066
U.S., Canada Cars	126,349	172,582	140,019	266,368	6,304,600	5,454,809
U.S., Canada Trks.	74,616	92,833	82,215	156,831	3,115,720	3,184,089
U.S., Canada Cars and Trucks	200,965	265,415	222,234	423,199	9,420,320	8,638,898

*—All Alliance are built for sale in Canada.
Monthly production may exclude some of cars or trucks sold to customers.

Chrysler odometer suit filed

Civil suit names dealer, service firm

By Jack Bernstein
SPECIAL CORRESPONDENT

ST. LOUIS — An auto dealer, a bank and two companies dealing in service contracts are cited along with Chrysler Corp. in a lawsuit filed in St. Louis Circuit Court over odometer tampering.

Brian and Kendra Carpenter, Ballwin, Mo., charge that the odometer of their 1986 Chrysler LeBaron was disconnected before the car was sold to them.

The couple seeks rescission of the contract and alleges breach of contract, odometer fraud and nonconformity to the motor-vehicle warranty.

Named in addition to Chrysler Corp. in the suit were: Chrysler-Plymouth West, Ballwin; Mechanical Breakdown Protection, Kansas City, Mo., the service contract seller; Omaha Indemnity Co., a subsidiary of Mutual of Omaha and underwriter of the contract; and Mercantile Bank of St. Louis, which financed the vehicle.

According to the lawsuit, "Chrysler Motors Corp. and Chrysler-Plymouth West well knew that the odometer didn't register the true mileage of the vehicle or should have known that the car, when sold to plaintiffs, was already in a used, depreciated and worn condition."

The Carpenters said in the suit that they paid $20,000, including trade-in, for the vehicle and a short time later the car developed mechanical problems that necessitated frequent repairs.

They asked the court to cancel the sale of the vehicle and to grant them a refund less a reasonable amount for its use, $4,500 in damages from Chrysler and a $497 refund on the service contract. They also asked the court to cancel their car loan from the bank and to reclaim any interest from the contract.

Several similar lawsuits are pending against Chrysler. The automaker operated an overnight test-drive program using company employees and new vehicles in which the odometers were detached.

Chrysler and two of its executives also were indicted on odometer tampering charges by the federal government.

OBITUARIES

Frederick W. Lang

WARREN, Mich. — Frederick W. Lang, 55, assistant director of occupational safety and ergonomics for General Motors, died Sept. 3. He began his career at GM in 1965 as a safety engineer for Buick.

Donald D. Berglund

CRESTED BUTTE, Colo. — Donald D. Berglund, 60, a former auto dealer in Roanoke, Va., died Aug. 27. He was chairman of Berglund Chevrolet Inc., Roanoke, a group of auto dealerships that included Berglund Chevrolet-AMC-Jeep-Renault; Miracle Ford; Berglund Pontiac; Berglund Mazda; Superior Ford, Wytheville, Va.; and Berglund Chevrolet-Oldsmobile, Hillsville, Va.

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Kume, left, and Celeste: a new era for Honda-Ohio partnership

HONDA: *2nd Ohio assembly plant to spark quest for domestic automaker status*

By Jesse Snyder and David Versical
AUTOMOTIVE NEWS STAFF REPORTERS

COLUMBUS, Ohio — Honda North America's ambitious five-part plan to create a self-reliant U.S. operation is aimed at reaching "domestic automaker status" by 1991.

President Tetsuo Chino said last week that Honda's strategy includes exporting U.S.-built Hondas, constructing a second Ohio assembly plant (Automotive News, Aug. 10), increasing domestic content of U.S.-built cars to 75 percent and expanding production engineering and research and development in the United States by 1991.

It also will put Honda on target for one million North American car sales by 1991 — 850,000 in the United States and 150,000 in Canada. By that time, Honda will have the capacity to produce 510,000 cars in Ohio and 80,000 in Alliston, Ontario. It plans to export 70,000 units from Ohio to markets abroad.

Honda is determined to be considered along with the Big 3 as a truly American automaker and not a Japanese transplant, Chino said.

"If we achieve 75 (percent) domestic content, if we become the No. 1 exporter in the U.S. auto industry, if we employ more than 10,000 (including sales personnel), then yes, I think we will be a domestic automaker," he said.

"We have always tried to localize ourselves," said Tadashi Kume, president of Honda Motor Co. Ltd., the Japanese parent company. "As a result of this announcement, if we become more like an American manufacturer, we will be most gratified. It was really a major step for that."

In Tokyo, Koichiro Yoshizawa, executive vice president, Honda Motor Co., said Honda is "entering a new stage of internationalization" with its expansion plans in Ohio. He said the United States would become another supply base for world distribution.

Most of Honda's strategy will unfold during the next four years, but the first U.S. exporting step will come in January. Next year, 3,000 units of a new Accord-based sporty coupe — produced exclusively at Honda's Marysville, Ohio, plant — will be exported to Japan.

see HONDA, page 52

Ford-UAW pact may prove tough for GM to follow

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Following their unprecedented extension of a national contract, the UAW and Ford Motor Co. now await the rank-and-file's ratification of an agreement that provides job guarantees on a scale unequalled in U.S. industry.

Those job guarantees will cost Ford $500 million over the life of the contract, according to UAW documents.

Although some union dissidents say Ford is requiring across-the-board work-rule changes in return, most UAW members disagree, saying the contract leaves such changes up to the locals. The contract sets up a joint committee at each local, which must submit within six months a plan for improvements in quality and efficiency at its plant.

According to the UAW, this plan could include "exploration of new forms of work organization," which includes team production.

The tentative three-year agreement with Ford, reached last Thursday, guarantees that no Ford worker will be permanently laid off for any reason except volume losses due to sales drops. Even in those instances, Ford must recall workers when sales improve.

The current job level of about 107,000 workers will form the basis of the so-called Guaranteed Employment Numbers.

UAW documents say that the contract provides for Ford actually increasing the number of jobs, although the summary conflicts on whether these increases are actually mandated or are merely under consideration by Ford. Ford reportedly will create 4,700 new jobs at 10 facilities by increasing its investment. Ford also will save

see UAW, page 54

Contract at a glance

Job guarantees

- Guaranteed Employment Numbers for each plant.
- No layoffs for any reason — including outsourcing — except reductions forced by sales reductions. Laid off workers must be recalled when sales improve.

Economics

- Three-percent wage increase in first year and lump-sum bonuses of 3 percent in second and third years.
- Cost-of-living formula maintained, and 81 cents of current COLA "float" of 86 cents folded into base wages.
- Pensions, insurance benefits, profit sharing and payments to laid-off workers improved.
- Child-care assistance begun.

Outsourcing

- Stronger curbs against outsourcing.

Plant closings

- Moratorium on closing for most plants.
- If an operation is sold, buyer must assume Ford's contractual obligations.

Japanese pickups tumbling

Bloom is off the boom; makers work to recover

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — The pickup truck market in the United States, once so lucrative for Japanese makers, has turned sour.

Japanese makers do not appear to be moving aggressively to protect market share. They may be taking a more cautious approach, at least for the time being, according to one analyst, because of continuing accusations of dumping.

Nissan Motor Co. and Toyota Motor Corp., which developed the market in the first place, are taking steps to meet the decline.

Nissan will drop "almost all" production of pickups at its Kyushu plant and increase production in Tennessee instead.

Reports in Japan indicate the mix at Smyrna will change from 130,000 passenger cars to 50,000, with an increase in trucks from 110,000 to 190,000.

Nissan would not confirm exact figures, but said that changes have already begun. Nissan said it is making the change for "greater efficiency."

The move allows Nissan to concentrate on meeting its car export quota despite heavy inventory in the United States, and at the same time produce pickup trucks without the burden of a 25-percent tariff.

Toyota announced a reduction in its total export target from 1.82 million to 1.74 million for this year. While it would not be specific about which models will be cut back, it did acknowledge that pickups have been affected by a sluggish market. Analysts sug-

see PICKUPS, page 50

Henry Ford II fights pneumonia

DETROIT — Henry Ford II remained in serious condition in the intensive care unit at Henry Ford Hospital Friday evening. He is suffering from pneumonia.

The 70-year-old former chairman of Ford Motor Co. was hospitalized 10 days ago.

Ford is a Ford Motor Co. director and is chairman of the company's powerful finance committee. He resigned as chief executive in 1979 and retired as chairman of the board in 1980.

The grandson of company founder Henry Ford, the young Henry Ford II wrested control of the faltering company from his failing grandfather four decades ago and resuscitated Ford Motor Co. He became a director in 1938, president in 1945 and chairman in 1960.

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Audi boss clouds value of shift lock — Page 2

Chrysler kills New Yorker 'E' — Page 3

Import inventories slide again — Page 8

Vixen shuts RV plant for five months

Poor sales blamed; new model on tap

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Vixen Motor Co. shut its plant for five months beginning Sept. 9 due to lagging sales of its motor homes. It laid off 100 of its 145 employees.

Gerald Bryce, Vixen's chief operating officer, said the company will "continue to distribute its vehicles through franchised dealers during the (shutdown) period."

Meanwhile, the company is gearing up a more traditionally equipped product, due to be introduced in February.

Vixen has sold only about 350 motor homes since it started in January 1986 — less than 10 percent of its original projections.

The company planned for a market that never materialized. With low gasoline prices, motor home buyers have been more interested in roominess and comfort than in the kind of fuel efficiency afforded by Vixen's manual-transmission, diesel-engine models.

Vixen also was squeezed by currency exchange rates that drove up the price of its imported BMW engines and Renault transmissions.

Together with higher-than-anticipated manufacturing costs, the price of Vixen motor homes has risen [illegible] 0,000, forcing Vixen to compete ...ore heavily in the traditional motor home market rather than in the $30,000 yuppie market it originally targeted.

In February, Vixen will go after a more traditional-type motor home buyer with new models featuring automatic transmissions, gasoline engines, conventional heating and air conditioning systems and other conservative appointments.

The company's new units will carry GM's 2.8-liter V-6 gasoline engine.

Paul Carleton, economic development advisor to the city of Pontiac, Mich., one of Vixen's financial backers, said he still feels Vixen can become successful once it gets more in synch with market trends.

Carleton said that the gasoline engine, for example, will open up the big California market to Vixen. Its diesel powerplant couldn't meet that state's emissions standards.

COLIN CURWOOD

Chrysler's K-car successors

Photographs of the new Chrysler Motors A-body sedan indicate that Chrysler is relying on traditional styling for its K-car replacement. Chrysler opted for a similarly traditional look in its new C-body Chrysler New Yorker and Dodge Dynasty, which debut this fall. The A-body cars are expected to be introduced as 1989 models in the fall of 1988. They will be built at Chrysler's Newark, Del., assembly plant. Photo above is believed to be the Dodge version; below, the Plymouth version.

Chrysler kills New Yorker 'E' after short run

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors ended production of its 1988 Chrysler New Yorker Turbo sedan little more than a month after production began.

The car was phased out because a new series of front-wheel-drive sedans is being introduced this fall bearing the New Yorker and New Yorker Landau names. The new cars are the flagship models in Chrysler showrooms.

Chrysler will continue to produce the Plymouth Caravelle and the Dodge 600. Those E-body cars are companion models to the New Yorker Turbo. All have been produced at Chrysler's Jefferson Avenue, Detroit, plant.

Chrysler began production of the 1988 New Yorker Turbo models in August and assembled an estimated 9,631 before killing the model. On Sept. 1, the company had a 130-day supply.

The changeover to the 1988 model involved little cost, a company source said, because there were no changes in exterior sheet metal and there were few other changes. The company did, however, equip the 1988 model with a 2.2-liter turbo engine and made standard a number of equipment features.

In the 1987 calendar year, the New Yorker E-body represented 4.9 percent of Chrysler Motors' total sales. The model accounted for 16 percent of Chrysler brand sales.

The larger 1988 C-body New Yorker and New Yorker Landau are powered by a 3-liter, fuel-injected V-6.

Dole exit was expected

Dole served in the sometimes sensitive cabinet post longer than anyone else in the department's 20-year history

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Transportation Secretary Elizabeth Dole announced last week that she will resign Oct. 1 in order to devote full time to the campaign of her husband, Sen. Robert Dole, R-Kan., who is seeking the Republican presidential nomination.

Her departure from the Reagan cabinet was described as "inevitable" and "expected" by Washington representatives of the automobile industry.

Dole's resignation had been rumored for months, as observers speculated she might seek elected office herself and as problems in the aviation sector increased.

Last Friday, the White House had not released a list of possible successors to Dole.

With only 16 months left in President Reagan's term, it is unlikely that her successor will initiate any ambitious new proposals in the administration of U.S. motor vehicle safety laws.

Dole, 51, became secretary of transportation in February 1983, succeeding Drew Lewis, Reagan's first secretary of transportation. Dole served in the sometimes sensitive cabinet post longer than anyone else in the department's 20-year history.

Although the job required tough decision making on several fronts, one of the most difficult and controversial was approving a requirement that all new automobiles sold in the United States be equipped with passive restraints by the 1990 model year.

Dole's handling of the passive-restraint issue — one that had bedeviled politicians and industry executives for almost 20 years — was considered masterful.

During the Carter administration, NHTSA ruled that passive restraints be phased in starting with the 1982 models, but that decision was reversed by Raymond Peck, a later NHTSA boss. After Peck's action, a court order demanded NHTSA to take a second look at the passive-restraint requirement.

Dole agreed to a proposal that gave the industry time to begin building vehicles equipped with such devices, while at the same time aggressively promoting state seat-belt laws.

Dole's decision requires that 10 percent of all vehicles sold in the United States by each manufacturer be equipped with automatic belts or air bags in the 1987 model year. The figure rises to 25 percent in the 1988 model year, to 40 percent in the 1989 model year and to 100 percent in the 1990 model year.

There also is an escape clause: the passive-restraint requirement will be dropped if states with two-thirds of the U.S. population pass mandatory seat-belt-use laws meeting federal standards by April, 1989. Those standards have not yet been issued.

The auto industry, while fundamentally opposed to government-required air bags or automatic seat belts, appreciated features of the passive-restraint rule that phased in the devices over four model years. Later, they liked the delay in passive restraints on the passenger side if driver-side air bags are installed.

Consumer and insurance groups opposed any delay in requiring passive restraints, but counted Dole's decision as a victory — if somewhat postponed — for better vehicle safety.

In addition, they were pleased by the appeals court decision asking them to return to court at once if there were serious danger that mandatory belt-use laws in the states would rescind passive restraints automatically.

Both the auto industry and the safety lobby continue to push for state laws requiring seat-belt use.

Dole's administration of NHTSA has been marked by repeated charges of delays in implementing safety standards, of less than imaginative responses to both existing and emerging vehicle safety problems and an almost half-hearted response to allegations of safety defects in motor vehicles.

She has generally been praised within the industry as making good on Reagan's promise to reduce government regulation of the automobile industry. She defied a good many members of Congress, Chrysler Corp. and consumer groups by agreeing to hold down corporate average fuel economy requirements at the request of Ford Motor Co. and General Motors.

Her most visible contribution to automotive safety is a regulation requiring a center high-mounted stoplight on all new automobiles. That regulation took effect with the 1986 model year.

Chrysler revamps Jeep-Eagle pact

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors has revised its Jeep-Eagle franchise, including binding arbitration and consumer satisfaction index provisions, following criticism by the National Automobile Dealers Association.

Jeep-Eagle dealers will begin signing the new agreement this week. The previous agreement will be void.

The new agreement, which will cover 1,453 former American Motors dealers, will also be used when re-signing Chrysler-Plymouth and Dodge dealers because of open points, stock transfers or dealership sales.

In a letter to dealers, E.T. Pappert, Chrysler Motors group vice president — sales, said the company revised the franchise agreement following meetings with members of the franchised dealer councils and NADA line chairmen.

NADA had been particularly critical of franchise language mandating binding arbitration in any dispute between the manufacturer and dealers. NADA said that provision circumvented state franchise laws.

Revised language accepted by the advising dealers states that rights granted under state laws will apply in the arbitration process.

NADA also had objected to a provision that would allow a consumer satisfaction index (CSI) to be used to terminate dealers who perform below specified standards for four consecutive quarters.

Instead, Chrysler now will review a dealer's CSI performance at least once a year and allow the dealer 180 days to meet CSI requirements before beginning termination proceedings. Chrysler also revised a provision covering its right of first refusal to purchase a dealership and other language in the agreement.

NADA said Chrysler's response appeared to be a positive step toward addressing a number of dealer concerns.

"However," said Frank McCarthy, NADA executive vice president, "it still does not satisfy legitimate dealer concerns because it forces mandatory binding arbitration on dealers, denies dealers access to courts and commissions, and there is no assurance dealer rights under state and federal law will be honored."

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Import inventories slide again

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Inventories of imported cars and trucks in the United States shrank for the second time in two months.

A hefty increase in August sales helped reduce the stockpile at the beginning of this month. Imported light-truck sales also rose and ate into the Sept. 1 inventory of vehicles at dealerships, in ports and en route in between.

September opened with combined imported car and truck inventories of 810,982 units, a 52-day supply, down 4.17 percent from last month's 846,350 unsold imported vehicles, a 57-day supply.

The total of unsold imported vehicles was 25.47 percent higher than the year-ago stockpile of 646,356, a 48-day supply. Two years ago, combined imported car and truck inventories numbered only 393,016 vehicles, a 33-day supply.

Since import-car sales rose a hefty 10.82 percent in August, inventories were slimmer than on Aug. 1. At the beginning of September, imported-car inventories declined to 606,500, a 51-day supply, compared to last month's 628,337 units, a 54-day supply.

The leanest stockpiles again this month were Honda's imported cars, which stood at 11 days' worth. Honda and its dealers had another 8 days' worth of U.S.-built cars in inventory. The Japanese company's upscale Acura inventories were also down, to a 27-day supply from 33 a month earlier.

Ford's Korean-built Festiva inventories were depleted from a 124-day supply Aug. 1 to 63 days at the start of this month.

Inventories of imported Renaults were still high because of poor sales last month, although inventories were down to 237 days from a 266-day supply in August.

The imported light-truck stockpile fell from 218,013 vehicles, a 66-day supply, on Aug. 1 to 204,482 units, a 56-day supply, on Sept. 1. That was lower than last year's Sept. 1 light-truck stockpile of 209,059 units.

The Sept. 1 inventory of imported cars by country of origin was split up this way: Japan, 67.55 percent; Germany, 13.78 percent; and other countries: 18.67 percent.

Last month's inventory share by country was: Japan, 65.64 percent; Germany, 14.58 percent; and other countries, 19.78 percent.

On average this month, German carmakers were the only group to increase its days' supply of cars.

IMPORT DAYS' SUPPLIES

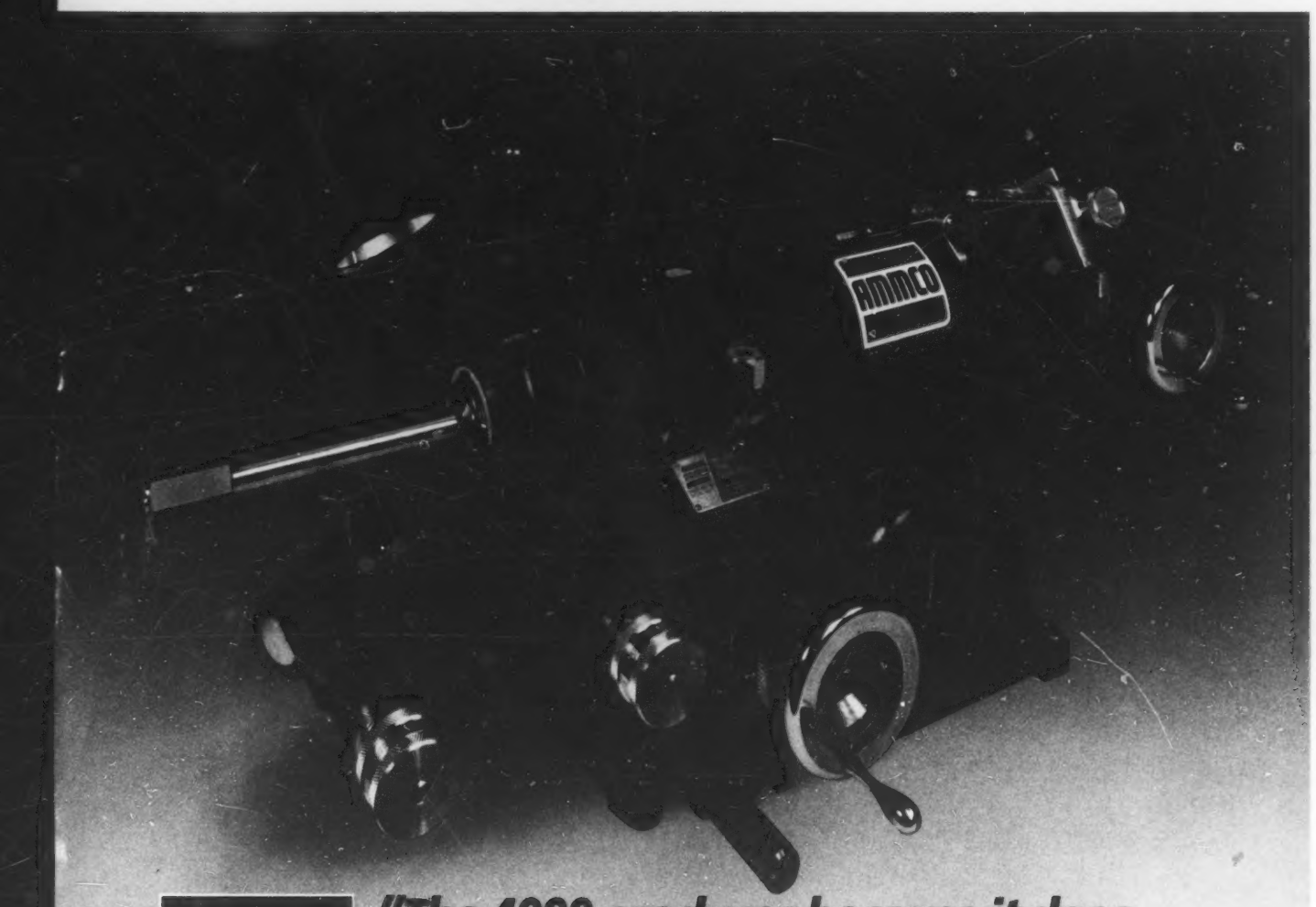
	Sept. 1, 1987	Aug. 1, 1987	Sept. 1, 1986
Chevrolet	110	142	85
Chrysler/Mitsubishi	80	88	99
Acura	27	33	29
Honda	11	10	7
Isuzu	54	66	83
Mazda	33	41	47
Mitsubishi	64	43	60
Nissan	92	84	48
Subaru	90	99	65
Toyota	21	25	17
JAPAN	51	53	40
Audi	83	56	120
BMW	60	67	50
Mercedes-Benz	52	50	32
Merkur	44	62	96
Porsche	96	114	37
VW	60	62	55
GERMANY	64	63	57
Alfa Romeo	65	62	28
Festiva	63	124	0
Hyundai	29	26	23
Jaguar	16	20	29
Peugeot	88	90	90
Pontiac	41	59	0
Eagle/Renault	237	266	121
Saab	46	61	31
Sterling	72	66	0
Volvo	44	70	39
Yugo	54	62	37
Other Countries	44	51	32
Total Import Cars	51	54	41
Isuzu	97	118	101
Mazda	29	73	50
Mitsubishi	80	43	46
Nissan*	88	107	144
Range Rover	31	22	0
Suzuki	18	24	33
Toyota	42	43	52
Chrysler	84	78	136
Total Imp. Trucks	56	65	75
Total Imp. Vehicles	52	[illegible]	48

*Includes domestic trucks.

Correction

Several words were dropped from the Sept. 14 story, "Ford, GM Take Early Price Step," which may have resulted in confusion over Ford's pricing action.

The story should have said the prices given to dealers are only tentative, are not sales weighted and do not include all models. The 6 percent average hikes also reflect the industrywide trend toward equipping 1988 models with more standard features than 1987 models.



"The 4000 produces because it does both drums and rotors. That's great-brake work is 20% of our business."

Chris Hernandez, Service Manager, North Central Ford, San Antonio, Texas

The machine Chris Hernandez describes so favorably is AMMCO's Model 4000 Drum/Disc Lathe – a best seller for years.

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Hernandez has looked at some off-shore models that claim to do more and be more. But, he says "No way, Jose. What about parts? What about service? What about the technical support I enjoy now? They just aren't there."

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AMMCO

Circle ReaderService #10

August truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	58,400						58,400	41,951
	YR	480,425						480,425	374,313
JEEP	MO	15,661						15,661	14,979
	YR	133,718						133,718	124,045
TOYOTA	MO	27,115						27,115	26,269
	YR	212,748						212,748	260,174
NISSAN	MO	18,042						18,042	22,880
	YR	148,397						148,397	153,205
MAZDA	MO	20,484						20,484	13,159
	YR	92,440						92,440	100,008
ISUZU	MC	8,233						8,233	7,811
	YR	61,595						31,595	56,727
MITSUBISHI	MO	4,055						4,055	2,694
	YR	34,021						34,021	21,195
SUZUKI*	MO	7,905						7,905	3,596
	YR	59,182						59,182	28,537
SUBARU	MO	66						66	471
	YR	1,118						1,118	2,445
RANGE ROVER	MO	272						272	0
	YR	1,301						1,301	0
FORD	MO	114,622			880	2,777	1,115	119,434	119,988
	YR	948,358			6,993	20,921	8,666	984,938	915,520
FREIGHTLINER	MO						2,201	2,201	1,352
	YR						15,218	15,218	11,237
CHEVROLET	MO	110,428		22	869	758	37	112,114	100,240
	YR	798,104		143	5,298	5,012	237	808,794	843,757
GMC	MO	28,535		427	614	1,518	474	31,568	25,686
	YR	208,577		3,860	5,213	15,377	5,538	238,565	234,106
*KENWORTH	MO					10	1,235	1,245	871
	YR					20	9,275	9,295	6,574
MACK	MO				168	184	1,369	1,721	1,535
	YR				1,697	1,942	12,455	16,094	14,560
MERCEDES	MO				183	180		363	321
	YR				1,061	1,531		2,592	2,443
NAVISTAR	MO		46	38	1,383	2,849	1,897	6,213	6,129
	YR		115	259	7,227	21,171	18,456	47,228	46,282
*PETERBILT	MO					10	1,000	1,010	1,013
	YR					51	7,471	7,522	6,401
VOLVO	MO					144	900	1,044	856
	YR					1,111	7,017	8,128	7,986
HINO	MO			42	35	67		144	77
	YR			315	309	603		1,227	593
NISSAN DIESEL	MO			42	18	77		137	0
	YR			350	191	554		1,095	0
ISUZU TRUCK	MO	283		14	23			320	302
	YR	3,414		105	196			3,715	3,163
MITSUBISHI FUSO	MO	113			13	58		184	0
	YR	484			118	324		926	0
SCANIA	MO						12	12	0
	YR						103	103	0
IVECO TRUCKS	MO	94	39	40	8			181	0
	YR	832	408	457	81			1,778	0
WESTERN STAR	MO						149	149	0
	YR						925	925	0
OTHER DOMESTICS	MO				17		77	94	54
	YR				98		739	837	752
GRAND TOTAL	MO	414,328	85	625	4,211	8,632	10,506	438,387	392,234
	YR	3,184,714	523	5,489	28,462	68,617	86,100	3,373,925	3,214,023
1986 YR to DATE		3,038,315	0	3,459	30,053	67,880	74,316	3,214,023	

*NOTE: Kenworth Class 7 and Peterbilt Class 7 & 8 sales for August are estimated. The August estimates are reflected in the 8-month totals for these individual numbers.

Medium, heavy trucks continue sales gains

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Retail sales of medium and heavy trucks in the United States continued to show solid gains in August and for the first eight months of 1987.

Total domestic retail truck sales of 438,387 last month were up 11.77 percent from 392,234 a year ago, according to reports from individual manufacturers and the Motor Vehicle Manufacturers Association.

For the January-August period, sales of 3,373,925 trucks were reported, up 4.98 percent from 3,214,023 in 1986. During August, medium-duty Class 4-7 sales of 13,553 units were up 6.10 percent from 12,774 last year.

And Class 8 heavy sales of 10,506 were up 31.19 percent from 8,008 in the same period of 1986.

Within the individual segments, Class 4 accounted for 85 sales last month compared to zero a year earlier.

Class 5 accounted for 625 sales, off from 797 a year ago; Class 6, 4,211, up from 4,114; and Class 7, 8,632, up from 7,863.

Year-to-date, the industry retailed 3,184,714 light duties, up 4.82 percent from 3,038,315 in like 1986. It retailed 103,111 medium-duty trucks, up 1.69 percent from 101,392 last year. And it retailed 86,100 Class 8 models, up 15.86 percent from 74,316 in like 1986.

Most individual medium and heavy-duty manufacturers are faring well in the relatively robust market.

Freightliner, for example, had sales of 2,201 in Class 8 last month, up 62.80 percent from like 1986. For the eight-month period, its retail sales of 15,218 were up 35.43 percent.

Similarly, Mack retailed 1,721 trucks in August, up 12.12 percent from a year ago. For the eight months, Mack's sales of 16,094 were up 10.54 percent from a year ago.

Kenworth had a sizable gain, though its August deliveries include an estimate for Class 7 models.

Kenworth retailed 1,245 trucks in August, including 1,235 actual reported deliveries for Class 8 and a 10-unit estimate for its Class 7 deliveries. That was up 42.94 percent from last year's 871 deliveries.

For the January-August period, Kenworth's sales of 9,295 were up 41.39 percent from a year earlier.

Navistar, the Class 8 leader, had total sales of 6,213 in August, up 1.4 percent from last year. For the eight-month period, its total of 47,228 was up 2.04 percent from a year ago.

New Mack creeper

Transmission, Western truck introduced

By Sheryl Harris
SPECIAL CORRESPONDENT

ANAHEIM, Calif. — Mack Trucks announced a new T2080 super-low-hole (creeper) transmission for 1988 models at the International Trucking Show here. It also displayed a new Western market model and announced additional warranty coverage.

Terry L. Warmkessel, Mack's director of marketing product planning, said five prototypes of its new "Baby 8" trucks will be introduced during the fourth quarter of 1987.

They are expected to be in production by January and to be officially unveiled at a mid-January press conference in Tampa, Fla.

Mack also said it is replacing the MR model with a new LE600 model.

A new E-7 12-liter engine will replace the 11-liter engine.

Paul Ritter, Mack Trucks' senior vice president — sales, added that Mack will have an all-new product line in place by 1991. The company does not, however, plan to replace its MH model.

The new T2080 8-speed transmission is designed for construction and refuse applications.

It offers a 20.1:1 gearing reduction. When used with rear axle ratios common to Mack's Maxidyne Plus engines, it will provide a gearing reduction in excess of 120:1, company officials said.

The T2080 gives West Coast customers in paving, construction and similar vocations the opportunity to use Mack's Balanced Design powertrain for the first time, according to Warmkessel.

It is designed for use with Mack's Maxidyne Plus engine and is built with Mack transmission components.

It has a torque rating of 1,700 pounds-feet and allows top speeds of 60-65 mph. It consists of a T2060/T2070 mainbox coupled to a T2090/T2100 compound, resulting in eight shiftable steps, two reverse gears, a 20.1 first low gear and 0.60 overdrive fifth gear.

Warmkessel said the transmission was designed with input from Mack's advisory council to be stronger, lighter and have better overall reduction than competitive models.

The T2080 is warrantied by Mack with three-year/300,000-mile coverage on major powertrain components.

"It allows customers requiring extremely low-speed, continuous operation equipment to specify an all—Mack powertrain," Warmkessel added. It also enhances the concept of Mack's new Western Contractor model.

The Western Contractor is a lightweight version of Mack's RD model, called the RD-600S. It is designed for specific West Coast-only regional needs.

It has a 14,700-pound chassis weight and 20,000-pound-capacity front axle. The cooling system has been redesigned and uses smaller and lighter components. The Western Contractor has a standard Mack EM6-275L Maxidyne Plus engine that produces 275 horsepower at 1,750 governed rpms.

Mack also is offering an on/off-highway version of its Bulldog Protection Plan, designed for coal or refuse haulers, concrete mixers, dump trucks, loggers and similar applications that require occasional off-highway use.

Customers can buy protection either for parts and labor or parts only.

APAA

Parts show keyed to world market

By Julie Whitmore
SPECIAL CORRESPONDENT

CHICAGO — The international market proved to be the focus of the Automotive Parts and Accessories Association's show here.

Toyota Motor Corp. and Saudi Arabia sent large delegations, and international buyers were welcomed at a hospitality suite in the McCormick Place.

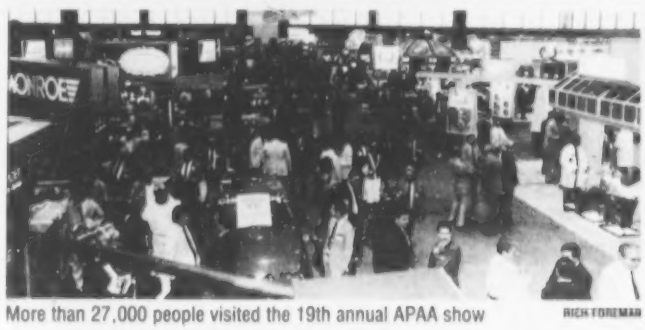
Toyota reportedly did not place any orders, but Naft Express Corp., a Saudi Arabian firm, announced plans to buy $300 million worth of automotive parts to maintain a 5,000-vehicle government fleet.

U.S. Department of Commerce representatives were on hand to assist overseas purchasers, and "Find a Product" television monitors also were used.

In addition, Kentucky Highlands Investment Corp., which provides venture capital and term loans to businesses that locate in "America's Automotive Alley," was looking for parts and accessories firms to complement its present automotive parts and assembly plants.

"There are some signs that things are changing" in the overseas market, said Katherine Hoffman, director of government relations for the Automotive Parts and Accessories Association.

The new price structure created by the appreciation of the yen in particular, has given foreign buyers a stronger incentive to look at U.S. products, she said.



More than 27,000 people visited the 19th annual APAA show
RICK FOREMAN

Although the mood of the exhibitors was optimistic, there were indications that sales to international customers were not as strong as expected.

Chuck Krauss, president of Trimbrite Products, a division of Spartan Plastics, which makes self-adhesive decorative trim products for the marine and RV industries, said, "We're not worried, we're just going to wait them out."

Many new products were introduced at the show.

Pentron Products, a manufacturer of electronic products including automotive bar gauges and tachometers, unveiled an electronic vehicle security system.

The new Page Alert VP4300 security system is priced at $150, and the new packaging system is said to require 40 to 50 percent less warehousing space and allow the customer to see the product without removing it from the box.

Floor traffic at the Pentron Products booth was more than 20 percent greater than at the 1986 show, according to company officials. Other exhibitors, however, claimed no increase in floor traffic.

Pentron's international sales have quadrupled in the last eight months, and the company has established an international sales department.

Among the new products at the show was the $49.95 Electric Heat Seat from Automan Imports, which plugs into a car's cigarette lighter. Cal Comfort displayed an audio armrest that doubles as a can cooler and speaker. Elkins Group International showed the Original Car Shirt, basically a T-shirt for a car seat.

Although the show emphasized the need to expand to global markets, many of the 1,000-plus exhibitors were working hard to meet the needs of domestic customers.

Borden Consumer Products Division, for example, used the meeting to let buyers know about the realignment of its Elmer's adhesive, Krylon spray paint and Rain Dance car wax businesses. Retailers now can buy from a single account manager, rather than each brand having its own salesperson.

More than 27,000 people visited the 19th annual Automotive Parts and Accessories Association show.

Nissan parts system revised to aid dealers

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

CARSON, Calif. — Nissan Motor Corp. in U.S.A. has developed and put into operation a computerized parts system that makes it easier for dealers to place and track orders.

The parts system is called Nissan Motor Parts System and was five years in the making. It was launched nationwide at Liberty Nissan, Virginia Beach, Va.

Placing the initial order from Liberty Nissan was Brock Nelson, dealership owner and president of the National Nissan Dealer Advisory Board.

Jerry Butts, Nissan parts vice president, said the system has changed the way Nissan conducts its parts business.

"While Nissan had a computer-driven parts system in place, the company found that it had outgrown its capabilities," Butts said. "So we turned over to our staff and Nissan's informational systems department the problem of developing a new system that would accommodate our business volume."

Butts said the computer hardware used by dealers under the old system is compatible with the Nissan Motor Parts System.

"There is no enrollment fee for NMPS," he said. "Dealers use their own hardware, but we supply specifications for the required software."

The Nissan Motor Parts System design began in August 1982, according to Renee Lentz, parts systems manager. "We weren't interested in just refining the existing system," she said. "Our assignment was to come up with a system that would do everything from making parts ordering easier and more efficient to assisting management in making more accurate and timely business decisions."

The system is designed to assist Nissan dealers in a number of ways. "Not only will it reduce the time between order placement and receipt, but it will allow us to provide dealers with more information regarding other aspects of their business," Lentz said.

The system can tell a dealer immediately if the part is available, if it has been packed or if it's on the truck.

"For customers, especially those with vehicles off the road, that can alleviate a lot of anxiety," she said.

Lentz said the new system is designed to get any vehicle-off-the-road order that's received by noon shipped by 5 p.m. the same day.

Some 850 of Nissan's 1,107 dealers have on-line ties to Nissan headquarters and are able to take advantage of the new program, Lentz said. Those not in the program are mostly small outlets not willing to invest in the necessary computer hardware.

"While some of our smaller dealers still process their orders by phone or mail, we are working on a program to assist them in that area also," Lentz said.

Shop volume rises again; up 6% for month

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Automotive News Service Index increased in July for the second straight month.

Service and parts business at new-car dealerships rose 6.1 percent over the July 1986 figure.

In June, the Service Index increased 5.9 percent. Shop business during the first seven months of 1987 was up 3.0 percent over the same period in 1986.

Dealers attributed the increased business to the hot weather, advertising and improved customer relations.

A Midwest Ford dealer said the hot summer resulted in more tow-ins than normal. The dealership also had an increase in warranty repair work.

On the other hand, a Midwest Buick-Pontiac dealer said hot weather and customers on vacation resulted in a service decline.

The dealer also said, "Improved product seems to have some effect on our service business."

An East Coast Chevrolet dealer said service increased as a result of direct-mail advertising.

A Northwest Chevrolet-Honda dealer attributed increased service business to improved management and customer relations.

A Northwest Dodge-BMW dealer said service business slipped because the dealership was "unable to find competent mechanical help."

All indicators showed gains in July, and gross profit on all labor, parts and accessories sales led the list with an increase of 9.7 percent.

Labor sales (customer paid and warranty) climbed 8.0 percent; shop parts sales (customer paid and warranty) rose 5.4 percent; sales of all parts and accessories increased 4.8 percent; and repair orders written were up 2.5 percent.

Parts and accessories sales to off-premise customers climbed 4.2 percent in July.

For the January-July period, gross profit on all labor, parts and accessories sales was up 6.4 percent.

Sales of all parts and accessories increased 5.3 percent; shop parts sales rose 3.8 percent; and total labor sales climbed 2.0 percent.

Repair orders written fell 2.7 percent.

Parts and accessories sales to off-premises customers were up 6.5 percent for the first seven months of this year.

SERVICE INDEX
106.1★

	July, '87 vs. July, '86	7 mos., '87 vs. 7 mos., '86
Gross Profit on All Labor and P&A Sales	+9.7%	+6.4%
Repair Orders Written	+2.5%	−2.7%
Total Labor Sales (Customer & Warranty)	+8.0%	+2.0%
Shop Parts Sales (Customer & Warranty)	+5.4%	+3.8%
Sales of All P&A	+4.8%	+5.3%

★— Survey by Automotive News shows that dealers' service and parts business in July 1987 was 106.1 percent of business in July 1986. Service business in the first 7 months of 1987 was 103.0 percent of business in the corresponding period in 1986.

Service easy on new Buick Regal

SHOP TALK

ARTHUR FLAX

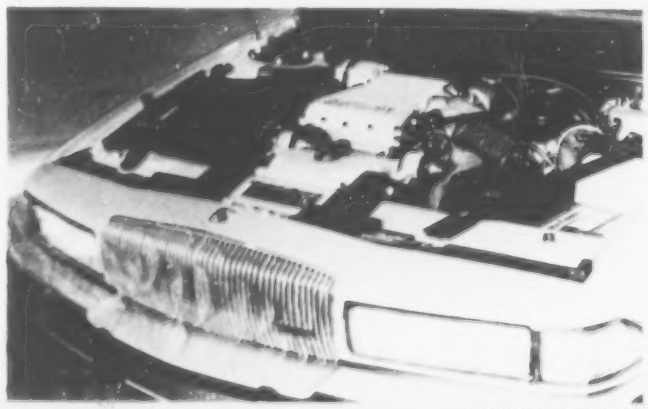
A lot of design work apparently went into making the new Buick Regal easy to maintain. The Regal is the first of the GM10 cars to reach the market.

The 2.8-liter V-6 is neatly laid out, and large, well-marked fluid caps and oil and transmission dipsticks have been installed. The fuse box is easy to reach, just inside the right fender.

Changing the spark plugs, however, will prove a bit tricky. The rear bank of plugs can be reached from underneath the car or by rotating the engine forward. That procedure, according to Buick engineers, is not as complicated as it sounds because it requires the removal of only two bolts. The engine is said to be balanced to be rotated easily.

Beyond changing the oil, fuses or spark plugs, the do-it-yourselfer will find little to do. The ignition is distributorless, and the engine never needs timing. The multiport injection system cannot be easily repaired by the amateur.

The MacPherson strut front suspension, however, has been designed to make repair easy for the professional or the amateur. Shock absorber cartridges can be reached and removed by a technician leaning over the fender.


AUTOMOTIVE NEWS ARTHUR FLAX
Regal's engine is neatly laid out and has large, well-marked fluid caps

Rolls accents service

As part of its program to improve U.S. sales and service, Rolls-Royce Motor Cars Inc. requires that each of its 60 dealers employ mechanics who work solely on Rolls and Bentley cars. Rolls-Royce also requires that the cars be repaired in service bays dedicated to the company's products.

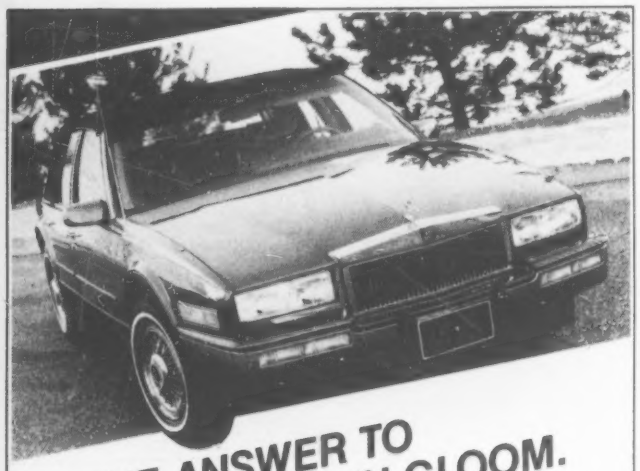
There are an estimated 100 Rolls-Royce mechanics at the 60 dealerships throughout the United States. Mechanics undergo a week's training at Rolls' Lyndhurst, N.J., training center, with appropriate updates as design changes dictate, according to a company spokesman.

Because a dozen of its U.S. dealers are in California, the company periodically moves its training to Thousand Oaks, Calif.

While salaries vary by location, they are generally quite competitive with those of mechanics who work on other luxury cars.

At Steve Foley Cadillac, Northbrook, Ill., Rolls-Royce mechanics are paid a flat hourly rate just over half the $45 hourly billed rate.

Although Rolls-Royce and Bentley autos are more complex than other cars, the hourly labor charge is the same as that for servicing a Cadillac, according to Steve Foley Jr. That translates into an annual salary in the $45,000 to $55,000 range for a Rolls-Royce mechanic.



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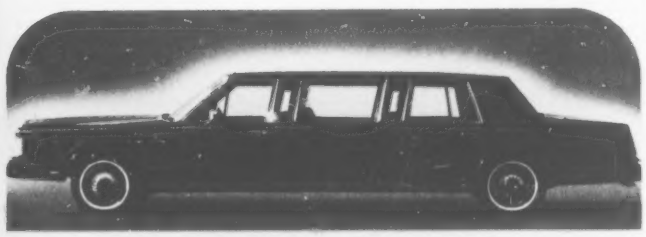

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Circle ReaderService #42

SALES

Sales no match for last year

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Early September domestic-car sales dropped off 51.85 percent from last year's blockbuster, record-high Sept. 1-10 sales period.

In this September's first 10 days, U.S.-built car sales totaled 177,512, down from last year's 368,680.

The daily selling rate declined to 22,189 from 46,085 for the same period a year ago. Last year's daily selling rate was the highest for any non-introductory selling period. Both periods had eight selling days, and were covered by low financing and/or rebates.

Analysts expected a downturn in sales of 40 percent to 50 percent based on last September's rocket-high 10-day numbers. Even though low financing rates and rebates have continued, many dealers were not clearing floors fast enough. They also were missing some top-selling models. A pay-back period was expected, analysts said, but it seems to have come earlier this year.

Some dealers suggested the glow of incentives has worn off.

"I sometimes think that people have gotten used to the rebate program. They put off buying a car and figure there will be a better one next month," said Dennis Korpetz, sales manager, Watkins Burdette Dodge, Frederick, Md.

The Big 3 automakers reported that sales were down 30 percent to 60 percent in the first 10 days of September compared to a year ago. Ford Motor Co.'s sales slumped to 51,243, down 33.01 percent from last year's 76,499. Lincoln sales rose 41.92 percent in the first 10 days, however, an increase attributed to greater availability.

Chrysler Motors' sales plunged 55.64 percent to 22,659 cars compared to last year's 51,082. But some dealers suggested that high inventories may bode well for the next few weeks, considering the Canadian Auto Workers strike at Chrysler plants, which has already begun shutting U.S. plants, as well.

"We have plenty of cars — a 100-day supply. We're not concerned about the strike because we have inventory. It might even be a good thing. Our early September sales are off 50 percent from a year ago," said Doug Toland, sales manager, Warnock Dodge, Livingston, N.J.

John Hippen, owner of Hippen Motor Co. (Chrysler), Aplington, Iowa, was worried about the strike: "Sales have not been too good. Yes, I'm worried about the strike. We hope to get rid of our inventory."

In spite of an eight-week incentive program, which concludes Sept. 30, General Motors' sales plummeted 60.79 percent to 91,075, down from last year's stellar 232,252.

"Given that we don't have as rich a program, we're doing all right," said David Sackaroff, general manager, Potamkin Cadillac, New York. "Inventories are low. Yes, we're down 35 percent. But on average we are ahead 15-20 percent of the Aug. 1-10 period."

Nissan's U.S.-built car sales bounded up 256.42 percent to 3,222 units in the first 10 days of the month compared with 904 last year. Honda reported a slight increase of 1.88 percent over the year-ago period, and Toyota sold 1,398 U.S.-built cars. Domestic Corolla production started a year ago in September. Volkswagen's sales of U.S.-built cars dropped 12.48 percent from last September's first 10 days.

DOMESTIC SALES

	Sept. 1-10, 1987	Sept. 1-10, 1986
Eagle	550	3,986
Chrysler	7,792	16,772
Plymouth	6,298	12,057
Dodge	8,019	18,267
Chrysler Motors	22,659	51,082
Ford	34,569	55,237
Mercury	12,232	18,132
Lincoln	4,442	3,130
Ford Motor Co.	51,243	76,499
Buick	14,316	44,033
Cadillac	6,943	14,962
Chevrolet	35,907	79,371
Oldsmobile	18,888	57,972
Pontiac	15,021	35,914
General Motors	91,075	232,252
Volkswagen	1,080	1,234
Honda	6,835	6,709
Nissan	3,222	904
Toyota	1,398	0
U.S. Industry Total	177,512	368,680

Car sales dip in Canada; trucks strong

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Sales of North American-built cars in Canada dipped slightly in August despite sales incentives offered by most automakers.

Canadian new-car dealers delivered 53,481 domestic cars, down 4.45 percent from 55,969 in August 1986.

Truck sales in Canada remained strong. Dealers sold 31,198 domestic light trucks in August, up 26.57 percent over 24,649 last year. General Motors, Ford Motor Co. and Dodge set truck sales records.

Ford and Volvo reported that August car sales were slightly higher than last year's. Sales were down for GM and Chrysler.

American Motors now is part of Chrysler Motors. Sales of the AMC Eagle and the Renault Alliance are included in Chrysler's domestic-car figures, and Jeep sales are included in Chrysler truck totals.

GM showed the biggest drop in car sales. GM dealers delivered 27,425 domestic cars in August, down 10.62 percent from 30,685 last year. During August, the company offered financing as low as 3.9 percent or $750 in cash rebates on selected cars and light trucks. Only rebates were offered in Ontario due to a provincial law that prohibits offering both.

Despite the addition of AMC, Chrysler sales were off in August. Dealers delivered 10,594 domestic cars, down 8.23 percent from 11,544 in August 1986.

The Chrysler domestic sales included 464 Renault Alliance and GTA models and 32 AMC Eagles.

Chrysler, Plymouth and Dodge dealers offered rebates of $500 to $1,500. Jeep-Eagle dealers offered no sales incentives in August. However, Chrysler added Renault Medallion, Alliance and GTA to its incentive lineup on Sept. 8. Rebates are $1,250 on Medallion and $750 on Alliance and GTA.

Ford sales were up slightly. Dealers delivered 13,661 domestic cars, up 0.93 percent from 13,535 in August 1986. Ford also offered financing as low as 3.9 percent or $750 cash rebates.

Volvo dealers sold 210 domestically built cars, up 2.44 percent from the 205 sold in August 1986.

Honda dealers sold 1,591 Canadian-built cars — all Accords — in August.

As noted, GM, Ford and Dodge set truck sales records for August. GM sold 13,891 domestic trucks, up 19.97 from 11,579 in 1986. The previous August record was set in 1978 when GM sold 12,459 trucks.

Ford sold 10,530 trucks in August, up 14.25 from 9,217 in August 1986. Ford's previous August record was 10,352 in 1979.

Chrysler Motors sold 5,183 Dodge trucks and 1,594 Jeeps in August. That compares to 3,853 Dodge trucks and 915 Jeeps sold in August 1986. Chrysler's previous Dodge truck sales record for August was 4,275 in 1974.

In addition to North American-built cars, GM in August sold 1,605 Suzuki-built Chevrolet Sprints, 1,421 Suzuki-built Pontiac Fireflys, 122 Isuzu-built Chevrolet Spectrums, 97 Isuzu-built Pontiac Sunbursts and six Isuzu I-Marks.

Ford sold 829 Mercury Tracers, 44 Merkur Scorpios and 75 Merkur XR4Ti models. The Tracer is built in Taiwan; the Scorpio and XR4Ti are built in West Germany.

Chrysler sold 1,187 Mitsubishi cars, 15 Peugeot cars and 192 imported Renault cars.

Honda sold 2,754 Japanese-built Hondas a 55.60 percent drop from the 6,203 sold a year ago. Honda also sold 615 Japanese-built Acura cars in August.

Volvo sold 451 Swedish-built Volvo models in August.

CANADIAN SALES OF NORTH AMERICAN-BUILT VEHICLES

	Aug. 1987	Aug. 1986	Pct. Change	8 mos., 1987	8 mos., 1986	Pct. Change
CHRYSLER/AMC						
Cars	10,594	11,544	– 8.23	101,995	105,616	– 3.43
Trucks-Jeep	6,777	3,853	+75.89	63,741	40,945	+55.67
GM						
Cars	27,425	30,685	–10.62	247,150	286,334	–13.68
Trucks	13,891	11,579	+19.97	109,186	107,323	+17.36
FORD						
Cars	13,661	13,535	+ 0.93	132,429	131,418	+ 0.77
Trucks	10,530	9,217	+14.25	95,311	85,173	+11.90
VOLVO						
Cars	210	205	+ 2.44	5,573	5,461	+ 2.05
HONDA	1,591	—	—	7,558	—	—
TOTAL CAR	53,481	55,969	– 4.45	494,705	528,829	– 6.45
TOTAL TRUCK	31,198	24,649	+26.57	268,238	233,441	+14.91

CANADA MARKET SHARES August 1987

Cars	
General Motors	51.28%
Ford Motor Co.	25.54%
Chrysler/AMC	19.82%
Volvo	.39%
Honda	2.97%
Trucks	
General Motors	44.53%
Ford Motor Co.	33.75%
Chrysler/Jeep	21.72%

AUCTION DATES

American Motors

Sept. 22 — D-A Auto Auction, New Stanton, Pa.

Sept. 23 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Sept. 25 — St. Louis Auto Auction, St. Louis

Sept. 29 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 30 — Kansas City Auto Auction, Kansas City, Mo., and Columbus Auto Auction, Columbus, Ohio

Chrysler Corp.

Sept. 22 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and A.D.E. of Birmingham, Birmingham, Ala.

Sept. 23 — Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Sept. 24 — Fredericksburg Auto Auction, Fredericksburg, Va.

Sept. 25 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Sept. 23 — Columbus Fair Auto Auction, Obetz, Ohio, and Lakeland Auto Auction, Lakeland, Fla.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; Bay Cities Auto Auction, Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

Sept. 29 — South Seattle Auto Auction, Kent, Wash.

Sept. 30 — Northway Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

General Motors

Sept. 22 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Sept. 23 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; Southern California Auto Auction, Fontana, Calif.; and Indianapolis Auto Auction, Indianapolis

Sept. 24 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Used Car Sales
Auction Averages

Sept. to date	$6,050
Month ago	$6,068
Year ago	$5,227

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,502	$11,726	$11,512
1986	$8,865	$8,934	$9,032
1985	$7,342	$7,385	$7,394
1984	$5,746	$5,754	$5,756
1983	$4,969	$5,016	$5,081
1982	$3,627	$3,648	$3,684
1981	$2,602	$2,632	$2,642
1980	$2,052	$2,072	$2,068
Overall Average	$6,050	$6,070	$6,030

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Rawls Auto Auction — Since 1938. Pickup, delivery unlimited. Recon facilities. Sale every Tues., 11 A.M. 803-657-5111 or 657-7244, Leesville, South Carolina.

SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd. Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 1 PM. Mid-South's newest auto auction.

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

Auctions Unlimited, 2260 East I-30, Rockwall, Texas 75087. Dallas-Ft. Worth area. Sales every Monday & Wednesday 7 PM. 214-722-9495.

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Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

Florida auction claims sales record

ORLANDO, Fla. — Management at the Florida Auto Auction of Orlando believes it has set a national record for a single day's gross sales of $41 million on a volume of 4,095 units, or 68 percent of the 6,026 vehicles on consignment.

The dealer sale was held July 14 and was attended by 691 buyers and 327 sellers from 37 states, said Joe Greco, general manager of the auction.

He said employees spent 41 days reconditioning more than 2,000 cars for the event, which was held to celebrate the auction's 15th anniversary.

Florida Auto Auction of Orlando is one of 17 auto auctions operated throughout the United States and Canada by Manheim Auctions, Atlanta.

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NADA to continue fight on franchise arbitration

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The National Automobile Dealers Association will continue to oppose new franchise agreements that require binding arbitration in factory-dealer disputes.

Frank McCarthy, executive vice president, said that NADA will carry on the fight to protect state laws giving dealers the right to pursue remedies in the courts and before boards established by such legislation. He added that NADA will explore changes in federal arbitration laws that would provide additional relief for dealers.

"We're looking at all aspects," McCarthy said during the group's annual Washington Conference last week.

NADA has opposed Chrysler Motors' Jeep-Eagle franchise agreement containing binding arbitration provisions. Chrysler said last week that the arbitration provisions in the agreement have been revised to ensure that rights granted by state law are applied in cases of binding arbitration.

However, NADA said the revised Jeep-Eagle franchise agreement "still does not satisfy legitimate dealer concerns" regarding binding arbitration.

Robert Wade, executive director of NADA's legal and regulatory affairs group, reported that three other agreements call for mandatory binding arbitration. They are Mitsubishi Motor Sales of America, Mitsubishi Fuso Truck and Mazda Motors of America (Central).

"Dealers have had no choice in accepting binding arbitration," Wade said of those agreements, which have been offered on a "take it or leave it" basis. "It's unfair to existing dealers of a line."

Wade promised a fight and said, "When all is said and done, 1987 will probably go down as the year the state (franchise) laws were hit by a one-two punch, but didn't go down."

While the dealers are girding for a fight with manufacturers over the franchise system, they were also warned of several political issues and tougher economic times on the horizon that will affect their businesses.

Among those political issues are moves to increase the minimum wage, mandate minimum health-care coverage for all employees, limit the deductibility of advertising expenses and impose excise taxes on cars costing more than $20,000.

If passed, they mean higher operating costs — costs that NADA said are continuing to climb against a backdrop of declining sales and profits.

John Ferron, NADA vice president, said that vehicle sales will decline 11 percent in 1987 and will continue to slide downward in 1988. However, he said, "We see no recession in 1988."

While sales are declining, advertising costs are increasing, Ferron said. Total advertising expense as a percentage of net profit on each car climbed from 42 percent in 1985 to 65 percent in 1987, he said, or an average of $256 per unit. Ferron said more of the ad money is being spent on the product itself rather than trying to sell the dealership to the public.

In addition to rising ad costs, dealers are faced with higher floorplan expenses as increases in the prime interest rate have accompanied slower sales, Ferron said. The sales slowdown means more days in inventory per unit and higher floorplan costs.

Those costs are averaging $147 per unit, compared with an average of $87 as recently as 1983. Last year, the average floorplan cost was $129. Ferron said the most dramatic rise is among Japanese imports, which report average floorplanning costs of $167 per unit, an increase of more than 50 percent over last year.

Ferron reported that personnel costs this year are about seven percent higher than in 1986. As a result of rising costs and a softer market, Ferron said, overall dealer performance probably will be down this year.

He said dealers had a strong fourth quarter last year due to the strength of the used-car market, despite the 2.9 percent financing program to clear out new-car inventories, and because of the tax code changes that spurred new-car buyers to act before the end of the year.

NADA gets Capitol lowdown

Dealers briefed on outlook for trade, taxes, labor

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — State and national leaders of the National Automobile Dealers Association heard few discouraging words from federal government officials who addressed the association's annual Washington Conference last week.

Lawmakers praised NADA members for their work on important national issues, including energy, tax, trade and labor policies. Dealers were lauded especially for bringing small business concerns before the federal government.

Rep. Dan Rostenkowski, R-Ill., chairman of the House Ways and Means Committee, told the dealers that his first interest as leader of the House conferees on trade legislation is to adopt a tough trade policy that will open foreign markets.

"The U.S. has every right to demand a level playing field (in international trade)," he said, "but it is a sign of weakness when we demand points before the game begins."

Rostenkowski said he is against any changes in U.S. trade law that result in outright protection for American industries. He predicted that Rep. Richard Gephardt, D-Mo., will not have the votes to win adoption of a mandatory trade-deficit-reduction measure that is known as the Gephardt amendment.

Much of the U.S. trade deficit is due to the size of the federal budget deficit, Rostenkowski said. He blamed the budget deficit on President Reagan's refusal to raise taxes.

Rostenkowski promised he would attempt to raise additional revenue before Congress adjourns this fall. He expressed doubt that an excise tax on motor vehicles would be approved and said he sees no increase in corporate or individual income tax rates.

Revenue most likely will be raised by closing more tax loopholes, broadening the tax base and adopting more user fees for federal services, Rostenkowski said.

U.S. Trade Representative Clayton Yeutter told the dealers the White House believes there is the potential for a constructive trade bill, but he said the president has the votes to uphold a veto of trade legislation if that becomes necessary.

The United States should not become confident that either shifts in exchange rates or trade legislation can turn around the nation's $170 billion trade deficit, Yeutter said.

Policy changes must be adopted by both the United States and by its trading partners if current world trade friction is to be reduced, he said. According to Yeutter, the key issue in the United States is reducing the federal budget deficit; other nations, principally Japan and European countries, must increase their own economic growth.

Yeutter cautioned that relying on exchange rate manipulation to boost U.S. competitiveness may be misguided. He said foreign firms can absorb the effects of a weak U.S. dollar by cutting costs, holding down profits and boosting quality.

U.S. companies must demonstrate that same tenacity if they are to guard their market share and win back export markets, he said.

Sen. Dan Quayle, R-Ind., warned dealers about a number of labor bills pending before the House and Senate. Although he expressed the belief that White House and Senate opposition will prevent their implementation, he asked for dealer assistance in turning back mandatory parental leave, minimum health benefits, an increased minimum wage and notification to workers of plant closings.

Sen. Don Nickles, D-Okla., said dealers should be concerned about America's increasing dependence on foreign oil. He predicted that the United States will be using 50 percent imported oil by 1990 and 60 percent by the mid-1990s.

Nickles reminded dealers of the dislocation in the auto industry caused by past energy shortages and suggested that dealers support some type of limitation on oil imports. He predicted that Congress will approve an energy tax of some type as a means of reducing the federal budget deficit.

Above, NADA President James T. Caplinger, right, welcomes U.S. Trade Representative Clayton Yeutter to the opening breakfast at NADA's annual Washington Conference; below, House Ways and Means Committee Chairman Dan Rostenkowski gives delegates the latest view of tax legislation pending before Congress

PICKUPS

FROM PAGE 1

gest the pickups will account for most of the reduction.

Fuji Heavy Industries, the smallest Japanese contender in the pickup segment, will stop all shipments of Subaru pickups to the U.S. market starting in October. There are no plans to introduce a 1988 Brat in the United States.

Subaru's U.S. truck sales have been dwindling steadily. They totaled a mere 66 in August compared to 471 a year earlier.

Japanese makers have suffered sharp losses in the pickup market. For example, Toyota pickup sales of 177,406 for eight months were off 19.2 percent from 1986.

Similarly, Nissan pickup sales of 115,675 were off 24.44 percent. Mazda pickup sales of 92,440 were off 7.57 percent, and Isuzu sales of 30,596 were off 16.84 percent.

Mitsubishi had the only gain in pickup sales among Japanese exporters. Mitsubishi-built pickups sold by Dodge under the Ram 50 name totaled 47,475 during the first eight months, off 1.2 percent from last year. But Mitsubishi Motor Sales of America's pickup sales totaled 24,926, up 39.06 percent.

Despite heavy incentives and marketing competition in the small pickup market, a Mitsubishi spokesman in Japan said the company is still making "a little profit" on its U.S. pickup sales.

Mazda indicated it is "breaking even" on pickup sales, but is encouraged by gains during August and September.

Overall, however, the future of the pickup market for Japanese makers appears to be rather grim.

Yoshihide Kondo, analyst with Daiwa Securities, said the Japanese companies have "lost their competitive edge" due to the high yen, the 25-percent tax and competition from the U.S. Big 3.

While the Japanese are down, year-to-date sales for Ford Ranger are up 16.03 percent; Chevrolet S-10 pickup sales are up 12.87 percent; and Dodge Dakota sales totaled 71,526, up from a mere 1,745 last year when it first went on sale.

The Japanese companies' inability to match continual and heavy incentives by domestic manufacturers may be the final line.

A Mazda spokesman acknowledged that the Japanese companies "cannot compete" against incentives offered by U.S. makers.

The American companies can offer what amounts to a $1,500 incentive, he said, while the Japanese can offer only one-third of that.

Kondo said the prices for Japanese models may already have reached the maximum for U.S. consumers.

If the pickup market has lost its golden glow, other segments may show promise.

Hino Motors has indicated a strong interest in the Class 5 truck market where competition tends to be light.

The Class 7 and 8 market segments also may offer new markets for the Japanese to develop. Kondo indicated that the Japanese companies are interested in creating new markets for themselves there, much as they did with pickup trucks.

Staff Reporter Joseph Bohn in Detroit contributed to this report.

PRODUCTION

5-millionth car built

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers built their five-millionth car of the year last Wednesday, 33 days behind 1986.

So far this year, 5,065,847 cars have been assembled, 11.51 percent below the 5,724,666 built last year at this point.

Last week's targeted auto production totaled 137,936, or 27.43 percent more than the previous holiday week's 108,245, but 6.38 percent below the year-ago week's 147,341.

Automakers shared last week's scheduled production as follows: General Motors, 50.21 percent; Ford Motor Co., 25.83 percent; Chrysler Motors, 15.12 percent; Honda of America Manufacturing Inc., 4.57 percent; New United Motor Manufacturing Inc., 2.39 percent; and Nissan Motor Manufacturing Co. U.S.A., 1.88 percent.

GM's Tarrytown, N.Y., plant remains idle for rebalancing of the line, affecting 4,500 workers. The plant is scheduled to resume operations Sept. 28.

Chrysler's Belvidere, Ill., plant is down this week because of the strike against Chrysler in Canada. About 1,400 workers are affected at Belvidere. Although a tentative agreement was reached in Canada last Thursday, Chrysler was not sure when the Belvidere plant would resume production.

GM announced a two-week extension of the second shift at its Wentzville, Mo., plant. The shift originally was scheduled to be dropped on Oct. 19. A GM spokeswoman said the extension is due to an increase in market demand for the Oldsmobile 98 and Delta 88 and Buick Park Avenue models.

Ford has slated daily overtime this week at all of its car plants except Edison, N.J.; and Kansas City, Mo.

Overtime is slated next Saturday for Ford's Dearborn, Mich., plant.

Truck output rebounds to 71,505

Last week's scheduled domestic truck production of 71,505 was 17.08 percent more than the previous holiday week's 61,076 but 5.46 percent below the year-ago week's 75,638.

General Motors' Pontiac, Mich., and Fort Wayne, Ind., plants were closed last week because of a parts shortage due to a fire at GM's Saginaw Axle plant in Detroit, which supplies parts to both plants.

Overtime was scheduled last Saturday at Ford Motor Co.'s Wayne, Mich., plant.

Ford slated daily overtime this week at all of its truck plants.

Canadian car output increases

Canadian automakers scheduled production of 17,047 cars last week, 39.39 percent more than the previous 12,230 but 27.85 percent below the year-ago week's 23,627.

The prior week's build was reduced by the Labor Day holiday.

Truckmakers targeted 12,519 units to be built last week, 8.92 percent below the previous week's 13,745 and 12.52 percent below the year-ago week's 14,310.

Last week's estimated truck production was affected by a strike that began Sept. 15 at all Chrysler operations except the Brampton, Ontario, plant, which Chrysler acquired when it purchased American Motors. The strike cost Chrysler about 5,500 trucks.

Although Chrysler and the Canadian Auto Workers reached a tentative agreement last Thursday, no date had been set for resumption of production.

General Motors cut production at its Oshawa, Ontario, truck plant last week because of a parts shortage caused by a fire at GM's Saginaw Axle plant in Detroit.

CANADIAN CAR	Week Ended Sept. 19, 1987	Week Ended Sept. 20, 1986	Week Ended Sept. 12, 1987	Sept. to Date	Jan. 1 to Sept. 20, 1986	Jan. 1 to Sept. 19, 1987
CHRYSLER	100	123	95	295	2,942	3,921
FORD MOTOR	5,760	10,663	4,131	14,693	373,350	314,334
GENERAL MOTORS	10,562	12,616	7,542	26,914	367,605	202,363
HONDA	400	0	282	912	0	10,181
VOLVO	225	225	180	630	7,306	7,272
Total Cars, Canada	17,047	23,627	12,230	43,444	751,203	538,071
U.S. TRUCK☆	**Week Ended Sept. 19, 1987**	**Week Ended Sept. 20, 1986**	**Week Ended Sept. 12, 1987**	**Sept. to Date**	**Jan. 1 to Sept. 20, 1986**	**Jan. 1 to Sept. 19, 1987**
CHEVROLET	13,535	23,591	10,248	39,382	858,795	796,551
DODGE	8,000	4,721	7,172	23,074	81,171	197,520
FORD	32,230	29,644	26,562	87,051	1,044,634	1,053,609
GMC	6,580	7,522	7,608	19,126	264,584	272,201
NAVISTAR	1,680	1,614	1,295	4,286	52,275	52,405
JEEP	4,600	4,338	3,712	12,963	132,439	159,190
NISSAN	2,130	1,858	1,729	5,999	86,173	62,309
AM GENERAL*	450	50	450	1,350	1,862	11,160
MISCELLANEOUS*	2,300	2,300	2,300	6,900	84,640	84,800
Total Trucks, U.S.	71,505	75,838	61,076	200,131	2,606,573	2,689,745
CANADIAN TRUCK	**Week Ended Sept. 19, 1987**	**Week Ended Sept. 20, 1986**	**Week Ended Sept. 12, 1987**	**Sept. to Date**	**Jan. 1 to Sept. 20, 1986**	**Jan. 1 to Sept. 19, 1987**
JEEP	780	746	691	2,163	20,460	24,291
CHRYSLER	1,386	8,580	5,347	13,660	288,998	281,024
FORD	3,648	3,415	2,762	8,359	118,753	105,716
GENERAL MOTORS	6,480	1,368	4,765	16,117	175,290	160,735
NAVISTAR	225	201	180	630	6,821	6,807
Total Trks., Canada	12,519	14,310	13,745	40,929	610,322	578,573
U.S., Canada Trks.	84,024	89,948	74,821	241,060	3,216,895	3,268,318

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, ect.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Sept. 19, 1987	Week Ended Sept. 20, 1986	Week Ended Sept. 12, 1987	Sept. to Date	Jan. 1 to Sept. 20, 1986	Jan. 1 to Sept. 19, 1987
AMERICAN MOTORS	0	1,833	0	0	38,755	15,994
Renault Total	0	1,833	0	0	38,755	15,994
Alliance	0	1,833	0	0	35,408	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	20,662	24,573	18,936	62,241	972,144	761,722
Plymouth Total	5,900	8,975	4,997	16,550	299,448	224,319
Horizon	400	3,229	243	643	126,084	33,640
Sundance	1,600	1,183	1,312	4,598	12,455	66,414
Reliant	3,200	3,451	2,745	9,072	114,391	85,590
Caravelle	500	852	509	1,599	32,596	34,108
Gran Fury	200	290	188	638	13,922	4,567
Chrysler Total	6,387	6,122	7,047	22,505	298,713	260,166
Laser	0	0	0	0	27,239	0
LeBaron K	1,000	902	799	2,788	68,452	50,599
LeBaron J	2,100	0	1,890	6,439	0	81,784
LeBaron GTS	800	1,461	652	2,260	52,937	28,803
N. Yorker E-Class	87	1,341	1,016	2,879	54,835	56,425
N. Yorker C-Class	200	0	777	1,708	0	2,088
Fifth Avenue	2,200	2,418	1,913	6,431	95,250	40,467
Dodge Total	8,575	9,480	6,892	23,186	373,983	277,237
Daytona	2,000	0	1,600	5,203	30,807	42,575
Omni	400	3,143	251	851	121,371	29,014
Shadow	1,800	1,113	1,510	5,121	11,233	68,843
Aries	2,800	2,377	2,225	7,703	89,693	79,350
Dodge 600	400	746	446	1,361	51,418	30,431
Dynasty	75	0	117	335	0	474
Lancer	500	811	398	1,387	38,478	17,962
Diplomat	600	1,290	345	1,425	30,983	8,568
FORD MOTOR	35,625	28,740	27,711	95,325	1,290,352	1,312,152
Ford Division	27,033	20,174	20,678	70,591	885,916	934,398
Escort	9,366	2,260	7,242	25,247	276,418	271,640
Mustang	4,603	4,614	4,359	13,546	141,091	153,609
Tempo	1,408	3,610	151	1,559	143,567	101,389
Taurus	8,844	9,690	6,711	22,664	220,370	295,825
Thunderbird	2,812	0	2,215	7,575	104,470	111,935
L-M Division	8,592	8,566	7,033	24,734	404,436	377,754
Mercury Total	4,642	4,559	3,673	13,232	276,495	247,330
Lynx	0	366	0	0	45,968	21,352
Capri	0	0	0	0	12,409	0
Topaz	438	925	49	487	42,248	33,345
Cougar	2,767	0	2,240	7,565	86,951	100,130
Sable	1,437	3,268	1,384	5,180	88,919	92,503
Lincoln Total	3,950	4,007	3,360	11,502	127,941	130,424
Continental	0	406	0	0	14,109	9,610
Lincoln	3,293	3,005	2,803	9,589	95,965	100,780
Mark VII	657	596	557	1,913	17,867	20,034
GENERAL MOTORS	69,239	79,800	51,825	180,798	3,036,298	2,459,083
Buick Total	11,857	18,404	10,322	34,614	569,182	403,255
Skyhawk	1,250	1,666	849	2,754	62,169	22,030
Century	1,150	3,923	2,414	6,601	172,022	119,879
Regal (rwd)	625	1,714	450	1,638	44,878	32,096
Somerset/Skylark	1,785	2,268	1,137	4,122	81,306	44,515
LeSabre (fwd)	4,600	4,929	3,554	12,819	112,446	103,939
LeSabre (rwd)	178	282	108	417	11,255	6,541
Electra (fwd)	1,920	3,622	1,634	5,500	65,619	64,991
Riviera	349	0	176	763	19,487	9,264
Cadillac Total	6,916	5,326	4,208	16,509	235,986	188,017
Cimarron	291	439	144	587	18,425	8,281
Allante	150	0	116	334	0	3,775
Brougham (rwd)	1,800	1,170	1,008	4,578	61,144	49,467
DeVille (fwd)	3,588	3,717	2,380	8,647	120,827	100,877
Eldorado	589	0	297	1,281	18,513	11,815
Seville	498	0	263	1,082	17,077	13,802
Chevrolet Total	26,232	22,932	18,863	66,689	930,689	954,360
Chevette	0	2,458	0	0	73,279	0
Camaro	2,530	3,370	1,694	6,280	131,560	87,896
Cavalier	6,694	8,061	3,620	13,858	283,724	222,186
Celebrity	4,400	0	3,400	12,053	174,631	212,574
Corsica/Beretta	7,390	213	5,780	20,359	0	229,985
Monte Carlo	1,718	2,385	1,435	4,764	85,577	50,186
Chevrolet	2,860	5,795	2,422	8,223	152,522	131,933
Corvette	640	650	512	1,152	19,396	19,600
Oldsmobile Total	11,643	13,999	8,639	29,639	732,664	442,005
Firenza	310	656	396	988	28,203	4,193
Calais	3,015	2,621	1,968	6,690	86,489	80,690
Cutlass Ciera	83	2,737	0	83	183,460	100,051
Cutlass Supreme	1,677	1,467	1,335	4,530	91,703	54,881
88 (fwd)	4,138	3,677	3,270	11,288	232,289	122,430
88 (rwd)	17	348	0	17	13,951	10,673
Olds 98	1,998	2,493	1,467	5,155	82,524	49,478
Toronado	405	0	203	888	14,045	11,015
Pontiac Total	12,591	18,939	9,793	33,347	567,777	471,446
Acadian*	0	542	0	0	11,363	0
Fiero	715	1,584	85	800	49,265	21,489
1000	0	795	0	0	15,730	0
Firebird	1,510	1,969	1,077	3,709	81,245	58,201
2000 Sunbird	2,421	3,424	892	4,388	101,977	65,067
Grand Am	4,800	5,993	3,612	11,973	162,138	171,131
6000	0	2,612	1,814	4,151	102,769	56,319
Bonneville	3,000	1,758	2,175	7,879	0	92,253
Safari/Parisienne	145	262	138	447	43,290	6,986
HONDA	6,310	5,555	5,184	17,720	152,045	237,530
Civic	120	1,066	37	197	0	71,627
Accord	6,190	4,489	5,147	17,523	152,045	165,903
NISSAN	2,600	2,006	1,975	7,260	28,771	94,982
NUMMI	3,300	3,000	2,614	8,689	146,344	141,255
Corolla	900	110	698	2,317	0	30,242
Nova	2,400	2,890	1,916	6,372	146,344	111,013
VOLKSWAGEN	0	2,029	0	0	59,957	43,129
Golf/GTI	0	2,029	0	0	59,957	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	137,936	147,341	108,245	372,033	5,724,666	5,065,847
Total Cars, Canada	17,047	23,627	12,230	43,444	751,203	538,071
U.S., Canada Cars	154,983	170,968	120,475	415,477	6,475,869	5,603,918
U.S., Canada Trks.	84,024	89,948	74,821	241,060	3,216,895	3,268,318
U.S., Canada Cars and Trucks	239,007	260,916	195,296	656,537	9,692,764	8,872,236

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Plastic idea sheds light on Liberty

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A car shown last week at a small plastics meeting here provided a first glimpse of one route Chrysler Motors is taking in new-car development via its hush-hush Liberty Project.

Liberty is a strategic program aimed at increasing flexibility and speed in product differentiation by sharply reducing model-change costs and leadtimes.

Called a composite intensive vehicle (CIV), the car was displayed by Budd Co. and Chrysler at the Advanced Composites Conference and Exposition. The event was held at the Westin Hotel by the Engineering Society of Detroit and ASM International, formerly the American Society for Metals.

An engineering paper on the vehicle was presented by Stephen Rawe, of Liberty, and Richard B. Freeman, manager of materials at Budd's new Technical Center in Auburn Heights, Mich.

A duplicate of a Dodge Lancer SE, the CIV consists of two sections.

One is a lower "universal platform" of steel, and the other is the cage-like upper section of plastic. That cage is a jointless, hollow-molded one-piece structure.

Advantages would lie in the fact that just a few large pieces of formed plastic with little interior trim could be bonded to universal platforms to create new cars quickly and at costs lower than currently encountered.

Now, platforms sometimes are used, but exterior changes to create new models are made by replacing metal piece by piece.

The CIV's styling-sensitive composite upper portion consists of bonded-together instrument panel module, roof, body sides, front and rear headers and a rear cross-member panel.

The platform includes the engine compartment and a simplified ladder assembly of steel stampings behind the dash panel.

The car's front end is steel to preserve crash-crush characteristics.

The large hollow pieces are made by a proprietary Budd process using low-pressure inflatable bag cores — instead of conventional foam cores — and fiberglass-reinforced resin transfer molding.

"Six molded parts replaced 106 steel parts of a comparable production upper structure," Rawe and Freeman said. "This excellent part integration capability resulted in the CIV being more than competitive in variable cost and less investment intensive than the corresponding steel part."

The developers called the car's design approach "process driven" and referred to needs for smaller facilities, fewer and simpler tools and fewer steps.

"The platform's simplicity allows easy track and wheelbase change with little, if any, investment," they said.

"Future differentiation requirements suggest that unique upper structures would be produced in annual volumes well below 100,000 units," the developers said.

Rawe said elements requiring further study include cost analysis, long-term endurance, impact testing, cycle times, scrap disposal and minimizing impact on existing plants.

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Dealers see soft market for '88 cars

By Edward Lapham, Michelle Krebs and Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTERS

The 1988 model year that officially begins this week will be softer and more competitive than 1987 and will be riddled with retail incentives.

That's the prevalent view of domestic-make new-car dealers interviewed last week.

Despite what their factories say, domestic-make dealers generally agreed that the next 12 months will be more difficult, at least for the other guy, and that even dealers who maintain sales volume will find it tougher to make money.

Most General Motors dealers expect the 1988 model year to be the same as 1987 model year. Some are optimistic that their dealership will do better in 1988 than in 1987 or that the division they represent will do better.

GM predicts 1988 model-year sales will be 15.0 million: 10.3 million cars, 4.7 million trucks. That represents a drop from the 15.5 million units that GM estimates for the 1987 model year. However, all of GM's five car divisions have projected a 1988 model-year sales increase.

"We're going to have serious problems with the overabundance of production," said Anthony Ursomarso, owner of Union Park Pontiac-GMC, Wilmington, Del.

"There won't be that many buyers and we won't sell more cars, but there will be more manufacturers trying to sell."

His dealership is investing in its facility — upgrading its Pontiac showroom to attract more young buyers and doubling the size of the body shop to increase business.

Don Bullock, Don Bullock Chevrolet, Rocky Mount, N.C., said

see DEALERS, page 67

AUTOMOTIVE NEWS/JOE WILSSENS

Lofty goal for Chrysler's newest cars
Chrysler Motors has new upscale models for 1988, and Chrysler Corp. Chairman Lee Iacocca expects them to attract 140,000 to 150,000 buyers during their first year on the market. The newcomers are the Chrysler New Yorker, New Yorker Landau (above) and Dodge Dynasty. **See story, Page 6.**

AD WOES: *NFL strike upsets makers' plans for promoting 1988 cars, trucks*

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

A lengthy strike by the National Football League Players Association could dampen the introduction of new cars and trucks by the nation's automakers, which traditionally use the league's televised games to advertise their new lineups.

The makers' advertising and marketing executives met with their advertising agencies last week to decide whether they would pull the costly, pre-paid advertising spots for NFL broadcasts or advertise on replacement programing including games played by non-union players.

As of midday Friday, Buick, Ford Motor Co. and Chrysler Motors had decided to run their pre-paid ads during replacement programs on ABC, CBS and NBC "at greatly reduced prices." A 30-second ad during a regular NFL game costs $200,000. The reduced prices given to those automakers were not disclosed.

Only Chrysler said it would not advertise on games using non-union players. Both General Motors and Ford said they were undecided about airing ads on games played by non-union players, and two GM officials said their relationship with the UAW — which supports the striking players — is being taken into consideration.

NFL team owners have threatened to use non-union players in place of striking players; however, the networks said Friday they had not decided if they would air those games.

The NFL strike is costly for both the automakers and the networks. If the regular NFL players do not play, automakers could lose exposure for new 1988 models at a time when car sales are already soft.

The television networks could lose millions of pre-paid advertising dollars. Replacement programs — such as movies — do not generate the same advertising revenue as NFL games because the audience is generally smaller and the networks must reduce their prices.

A Detroit-based CBS executive estimated that 20 percent of the network's NFL advertising spots are purchased by automakers. "The strike hurts all the advertisers, but it is particularly tough on the automotive industry since they are anxious to show off their new lineups," said Dick Masilotti, vice president of Detroit sales for CBS Television Network.

Officials from the Big 3 automakers said their contracts do not require them to advertise when programming is changed, and they said they are evaluating which replacement programs can generate the audience closest to that of the NFL games.

"We want the same quantity and quality of audi-

see FOOTBALL, page 67

Car output to fall 9% for year

Dip could be more in long GM strike

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Domestic automakers will build 9 percent fewer cars this year than in 1986.

The 7,108,000 cars that U.S. makers are expected to build this year compares to last year's total of 7,829,697.

Automakers scheduled fourth-quarter production at 1,821,502 cars, 4.31 percent below last year's fourth-quarter total of 1,903,517.

However, analysts predicted that fourth-quarter output will wind up even lower than scheduled, with the bulk of the cuts coming from General Motors.

Ronald Glantz, Montgomery Securities analyst, said that if the makers build what they are currently projecting for the fourth quarter, they will end up with about 300,000 units in excess of demand.

"Everyone is overly optimistic heading into the new model year, with Chrysler Motors and GM the most vulnerable," Glantz said.

Glantz expects a three-week to five-week strike against GM. A three-week strike would leave GM with too much inventory, he said.

Thomas O'Grady, Integrated Automotive Resources analyst, agreed that the automakers' fourth quarter forecasts are too high.

"If the industry builds as scheduled, it will have close to an 80-day supply of cars at the end of December," he said. "The norm at the end of the year is considered to be between 68 and 72 days."

see OUTPUT, page 67

Stocks up despite incentives

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Low-interest finance programs have failed — by and large — to blow out domestic car and truck inventories as they did a year ago.

The programs, which end this week, appear to have lost a lot of their steam.

As a result, domestic manufacturers have a large stockpile of 1987 models as they enter the 1988 season, which means more incentives or production cutbacks, or both.

Combined, the Big 3 had an estimated 1.54 million cars in stock on Sept. 20, a 73-day supply, compared to 1.39 million cars a year earlier when sales were much brisker.

General Motors, for example, had stocks of over 875,000 cars on Sept. 20, up from approximately 800,000 a year ago.

Stocks include units on dealer lots as well as those in transit to dealers.

Chevrolet's estimated stock of approximately 380,000 cars is 95,000 higher than a year ago. Its estimated 290,000 trucks is about 30,000 more.

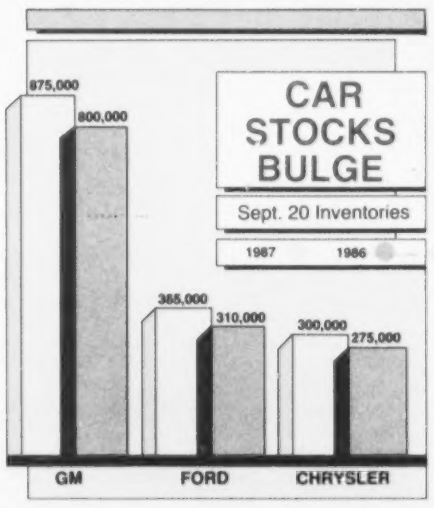
GMC's estimated stock of about 95,000 trucks is roughly 20,000 higher than 1986.

Ford Division's car stocks were estimated at about 250,000, up 30,000 from last year, although Ford's truck stock was estimated at 260,000 units, down roughly 12,000 from last year.

Chrysler's inventory, including Eagles, is approximately 25,000 more than 1986. Truck inventory of 190,000, including Jeep, is up about 15,000 from last year.

Jeep accounted for about 55,000 units, down about 5,000 from a year ago. Dodge truck inventories of about 135,000 are up about 20,000 from a year ago.

Part of that is due to added production capacity in extended-wheelbase Caravans and Voyagers, which weren't in production last year.



RUTH SKURDA

Proton arrival pushed back; volume slashed

By Stephen Vines
SPECIAL CORRESPONDENT

HONG KONG — Plans to export Malaysia's Proton Saga car to the United States have been delayed several months and the volume of planned imports has been slashed significantly.

A Proton official in Malaysia, who asked to remain anonymous, said that it will not be possible to start shipping cars to the United States until the fourth quarter of 1988. The first shipments will be modest in size, building up to a planned export of 20,000 cars the following year, the official added.

However, in New York, William

see PROTON, page 66

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Canadians walk out; trade talks break off — Page 2
Honda developing entry-level U.S. car — Page 3
Sales famine continues; mid-Sept. down 45% — Page 65

Honda's new two-door Accord coupe will be built in Ohio and exported to Japan

SUB-CIVIC

Honda developing entry-level U.S. car

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPOVTER

LAS VEGAS, Nev. — As a bigger, more expensive 1988 Civic debuts, Honda Motor Co. is already developing a smaller model for the 1990s that would become Honda's entry-level U.S. car, positioned below Civic.

Honda acknowledged the development program within its research and development subsidiary, but said the project has not achieved corporate approval or even consensus among product planners and senior executives.

Honda North America President Tetsuo Chino has become the program's champion.

"We need a new entry-level car in the U.S. because of Civic's evolution," Chino said in an interview after a press introduction here. The new Civic is the size of the first-generation Accord. "There is a vacuum below Civic, so we have asked r&d to develop a new entry-level model."

The car is in the earliest stages of Honda's dual-track development system and is unlikely to debut before 1991. Honda's development lead time is currently three years and several months, said Nobuhiko Kawamoto, president of Honda R&D Co. Ltd., Saitama, Japan. Chino noted that r&d already is very busy developing new Acura division products in addition to developing successors for existing products for the United States and Japan.

Honda's growing U.S. manufacturing complex in Ohio is the leading candidate to produce the sub-Civic model, although Japan or Canada would be considered despite capacity constraints at both locations.

The Ohio plant already has been selected to be the exclusive factory for the 1988½ Accord two-door coupe. Two models will be offered; the car is expected to bow in February. The new coupe will be the first vehicle built by a Japanese company in the United States to be exported to Japan for sale.

As for the sub-Civic model, cost is Honda's biggest stumbling block. Because the City and Today models sold in Japan are considered unsuitable for the U.S. market, any sub-Civic model would have to generate here most or all of the sales volume necessary to achieve profitability, Chino said. But he said he also believes other world markets exist for it.

AUTOMOTIVE PRESS SERVICE PHOTOS

Short trunk lid and new roof treatment

Unless the development project is combined with a City replacement, about two years away, a below-Civic model would need minimum 100,000 annual volume to be worthwhile, Kawamoto said.

Chino believes Honda needs to protect its low-price heritage against new low-end import competition. An entry-level Honda creates owners loyal to Honda over the long haul, especially important now that the company has established its upscale Acura division with prices into the mid-$20,000s, he said.

The 1988 Civic, which ranges from $6,095 to $9,675 in base price, is the perfect entry-level U.S. car, said Yoshihide Munekuni, president of American Honda Motor Co.

"We do need a product under $6,000, but that is not the big part of the entry-level market," Munekuni said. "The heart of that market is in the $6,000 to $8,000 range. That is where we have to succeed."

Chino said dealers have supported a below-Civic entry for several years, since the last generation Civic was introduced.

But the depth of dealer demand is questioned by Honda management. If Honda approves a below-Civic entry, it will be because the company believes it is necessary, not because of dealer demand, Kawamoto said.

Thursday is strike deadline, union tells Ford of Canada

By Alex Law
SPECIAL CORRESPONDENT

TORONTO — The Canadian Auto Workers will strike Ford Motor Co. of Canada at 10 a.m. Thursday unless an agreement is reached that guarantees partly indexed pensions for the firm's 13,000 current workers.

That was the unequivocal message delivered by CAW President Bob White to Ford officials in Toronto last week, where a new three-year agreement is being negotiated.

White was adamant that the workers would walk off the job on that date unless a contract is reached that is similar to the one that was ratified by an overwhelming margin by Chrysler Canada workers.

"We won't walk away from here without the pattern settlement. We expect no less," White said.

He also said there would be no extensions, unlike the situation in the United States under which an agreement was reached between Ford Motor Co. and the UAW.

Donald McKenzie, Ford's chief negotiator, did not attend the meeting with the CAW because of his father's death, but company spokesman Jim Hartford said he thought the deadline date was "quite reasonable."

He said the company was reviewing the Chrysler agreement to see how it would apply at Ford.

Members of the CAW work at nine Ford plants and offices in five Ontario cities — Oakville, Windsor, St. Thomas, Niagara Falls and Brompton. A strike in Canada would have a quick effect in the United States because plants in Windsor supply engines for Ford truck assembly plants in Lorain, Ohio; Kansas City, Mo.; Norfolk, Va.; and Wayne, Mich. Windsor casting operations supply parts for engine plants in Lima, Ohio; Cleveland; and Dearborn, Mich., plants.

In addition, the following vehicles are produced in Canada for the U.S. market: Ford Escort, Tempo and Crown Victoria; Mercury Topaz and Grand Marquis; and Ford light-duty trucks.

Chrysler workers struck for seven days (five of which were work days) to get a six-year indexing formula for future retirees and a three-year contract on wages and other benefits. The agreement also included increased benefits for present retirees.

"There's no reason for a strike here. We have good labor relations with Ford, and we have established a pattern with Chrysler," White said.

In response to reporters' questions, White said he would ask Ford of Canada to explain the contract its parent firm has with the UAW.

There have been reports that the guarantee-of-jobs arrangement in that contract puts Canadian jobs at risk. White said that if Canadian jobs are threatened by the U.S. agreement, he would negotiate for their protection.

After it comes to terms with Ford, the CAW will turn its attention to General Motors of Canada. GM has about 38,000 workers at 13 plants in Oshawa, Windsor, St. Catharines, Scarborough and London (all in Ontario) and at St. Therese and St. Eustache in Quebec.

REGAL: *First GM10 car better equipped, but price increases 4% to 8%*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Buick announced that the base price on its all-new Regal is 7.7 percent higher on the Custom model and 3.9 percent higher on the Limited than the 1987 versions of the Regal.

Buick said the Manufacturers Suggested Retail Price for the Regal Custom is $12,449, or $887 higher than the 1987 model, and the Limited is $12,782, or $479 above the 1987 price.

However, Buick General Manager Edward H. Mertz said that the new Regal includes a long list of standard equipment that the 1987 Regal did not have, including automatic transmission with overdrive and four-wheel, power-assisted disc brakes.

When the new Regal is equipped with the options most people would order, Mertz said the Regal Custom would be only $298 more than its 1987 counterpart, and the Regal Limited would be $185 less than the old Regal Limited.

Based on Buick's figures, the 1988 Regal Custom would cost $13,809, if ordered with the most popular options, compared with $13,511 on the 1987 model. The Regal Limited would cost $14,567, compared with $14,752.

The Regal, the first of the GM10 front-wheel-drive mid-sized cars to be introduced, will go head-to-head with the Ford Thunderbird and Mercury Cougar, Ford Taurus and Mercury Sable and Chrysler LeBaron. Only tentative prices have been announced on those models.

The new Oldsmobile Cutlass Supreme and the Pontiac Grand Prix, also part of the GM10 family, are expected to see base-price increases similar to the Regal when they are introduced in the spring.

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63rd year—No. 5200

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Subaru stock price declines to 52-week low

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The impact of Subaru of America's third-quarter losses are being felt in the stock market as the company hit a 52-week low in trading last week.

Some analysts believe there is no near-term solution to the company's problems. One said he expected the stock price to reach single-digit figures before there is a turnaround.

Last week, Subaru traded at a 52-week low of $10.25 a share compared with a price of $27.24 a year ago. Since the company announced a $49.8 million third-quarter loss on Aug. 27, the stock has declined from $12.13 a share.

The National Association of Securities Dealers reported that on Sept. 15, more than 750,000 of Subaru's 49 million shares had been sold short in the preceding month. In a short sale, an investor bets that a stock price will decline. It is sold in anticipation of buying it back later at a lower price.

Ann Knight, analyst for Paine Webber, said the report of the loss is catching up with the company in the market. She said she sees no short-term solution to the problem. Most of the factors affecting the company are "out of Subaru's control," she added.

Knight has previously described Subaru's situation as being squeezed from two directions. The manufacturer, Fuji Heavy Industries in Japan, has tried to move upscale to recoup production costs and to offset the effects of a declining dollar against the yen. But the market will not accept higher-priced Subaru cars.

Subaru President Thomas Gibson outlined recently (Automotive News, Sept.7) the actions the company is taking to place the company in a better position next year, including reducing monthly shipments for the next three months and shifting the mix to less-expensive models.

However, even with the reduction in shipments, Subaru intends to meet its quota, Gibson said.

However, analysts continue to predict a fourth-quarter loss for the company. Daniel Dalton, director of investor relations for Subaru, said that over the past year, changes in exchange rates have had an impact on earnings. And the decline in earnings has an impact on the stock prices, he said. The quarterly loss is being reflected in the market now, he said.

While the company enjoyed record August sales of 17,745 cars, he said that the continuing impact of the loss is being felt.

Joseph Phillippi, analyst for E.F. Hutton, was more pessimistic. He projected another loss in the fourth quarter as well as a "tough first half" for the company.

It was Phillippi who predicted the company would hit single-digit stock prices before it turns around.

While terming the projected fourth-quarter results as "pretty grim," he said he believed they would not be as bad as the third quarter.

Dalton said, "We need to demonstrate less of a loss and a turnaround in the financial picture" to have the stock show positive movement.

Dalton said the company views the current situation as temporary and expects next year to be a turnaround period.

Next year's moves include adjusting the model mix. Subaru wants to start next year with a model mix of 55 percent of its cars under $10,000 — which was not the case for 1987.

Imports top mpg list; Chevy Sprint is leader

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Chevrolet Sprint Metro, a subcompact weighing 1,875 pounds, has the highest EPA mileage ranking for the second consecutive year.

The 1988 Suzuki-made vehicle, with a five-speed manual transmission, gets 54 mpg in the city and 58 mpg on the highway — the same numbers achieved by the 1987 Sprint ER.

The worst gas guzzler, according to the EPA, is the 1988 Lamborghini Countach, which gets 6 mpg in the city and 10 mpg on the highway. The gas-guzzler tax on that car is $3,850.

Other high-mileage vehicles, all with five-speed manual transmissions, include:

- Honda Civic CRX HF, 50 mpg city, 56 mpg highway. The car has a shift indicator light, which improves gas mileage.
- Honda Civic CRX HF, 45 mpg city, 53 mpg highway. It does not have the shift indicator light.
- Pontiac Firefly, Suzuki Forsa and another Chevrolet Sprint, 44 mpg city, 49 mpg highway. The Firefly is sold in Canada and Puerto Rico; the Forsa is sold in Puerto Rico and Hawaii.
- Ford Festiva, 39 mpg city and 42 mpg highway.
- Daihatsu Charade, 38 mpg city and 42 mpg highway.

Next in line are four cars that tied at 38 mpg city and 40 mpg highway. They are: a Ford Festiva with four-speed manual transmission and a Pontiac Firefly, Suzuki Forsa and Chevrolet Sprint, all with three-speed automatics.

The EPA data comes from emission-certification results submitted by automakers from early prototype models tested under controlled laboratory conditions. But EPA confirms about 30 percent of the data at its Ann Arbor, Mich., laboratory.

In releasing the data on 1988 models, EPA stressed that about 51 percent of the cars have a multipoint fuel-injection system that permits very precise fuel-metering over a wide range of operating conditions. About 83 percent of the models have fuel injection.

EPA is no longer providing a list of the domestic models with top fuel economy. The agency said that there is a growing tendency to produce cars in the United States through joint ventures between domestic and foreign firms. Many of those vehicles are perceived to be "domestic" even though they do not meet the domestic-content requirements required under the fuel economy law.

1988 EPA FUEL ECONOMY ESTIMATES TOP OVERALL

Model	City	Highway	Engine Description (size/no. of cyl.)	Transmission
Chevrolet Sprint Metro	54	58	1.0L/3	M5
Honda Civic CRX HF	50	56	1.5L/4	M5
Honda Civic CRX HF	45	53	1.5L/4	M5
Pontiac Firefly	44	49	1.0L/3	M5
Suzuki Forsa	44	49	1.0L/3	M5
Chevrolet Sprint	44	49	1.0L/3	M5
Ford Festiva	39	43	1.3L/4	M5
Daihatsu Charade	38	42	1.0L/3	M5
Ford Festiva	38	40	1.3L/4	M4
Pontiac Firefly	38	40	1.0L/3	A3
Suzuki Forsa	38	40	1.0L/3	A3
Chevrolet Sprint	38	40	1.0L/3	A3

A — automatic transmission
L — liters
M — transmission

1988 EPA FUEL ECONOMY ESTIMATES LOWEST OVERALL

Model	City	Highway	Engine Description (size/no. of cyl.)	Transmission
Lamborghini Countach	6	10	5.2L/12	M5
Rolls-Royce Bentley Continental	9	11	6.8L/8	A3
Rolls-Royce Bentley Eight/Mulsan	9	11	6.8L/8	A3
Rolls-Royce Corniche II	9	11	6.8L/8	A3
Rolls-Royce Silver Spirt/Spur	9	11	6.8L/8	A3
Rolls-Royce Silver Spur Limousine	9	11	6.8L/8	A3
Ferrari Testarossa	10	15	4.9L/12	M5
BMW 5-Series	10	19	3.5L/6	M5
BMW 6-Series	10	19	3.5L/6	M5
Mercedes-Benz 560 SEL	13	16	5.6L/8	A4
Mercedes-Benz 560 SEC	13	16	5.6L/8	A4

A — automatic transmission
L — liters
M — transmission

IMPORT SALES BY MODEL

	Aug. 1987	Aug. 1986	8 Mos., 1987	8 Mos., 1986
ACURA	10,317	5,355	70,155	22,760
Integra	4,629	2,944	37,778	12,907
Legend	5,688	2,411	32,377	9,853
ALFA ROMEO	523	1,030	4,575	4,901
AUDI	2,694	4,438	32,143	41,347
4000S	1,387	884	7,666	9,009
4000CS Quattro	445	290	2,140	2,578
5000S	267	2,316	15,054	21,442
5000CS Turbo	87	544	2,974	4,199
5000CS Turbo Quattro	255	221	3,053	2,084
Coupe GT	253	183	1,256	2,035
BMW	8,057	8,016	58,915	62,666
318i	0	19	15	874
524 TD	1	61	28	1,597
325	5,569	5,624	39,114	39,464
528e	811	1,027	6,540	8,657
535i/535iS	434	570	4,707	5,824
6-Series	132	194	1,281	1,856
7-Series	870	521	6,150	4,394
M3	159	0	420	0
M5	42	0	216	0
M6	39	0	444	0
CHEVROLET	15,335	14,127	87,823	105,847
Spectrum	7,927	8,744	52,131	59,553
Sprint	7,408	5,383	35,692	46,294
CHRYSLER/MITSUBISHI	13,001	11,593	86,586	87,333
Colt	8,433	8,562	55,888	61,350
Conquest	1,070	407	8,766	3,704
Vista	3,498	2,624	21,932	22,279
EAGLE/RENAULT	1,382	328	8,320	2,615
18i	0	297	0	1,486
Fuego	0	31	0	1,130
Medallion	1,382	0	8,320	0
FORD Festiva	5,172	0	10,529	0
HONDA	23,472	31,735	182,871	255,229
Civic/CRX	11,879	15,121	84,069	147,658
Accord	6,914	9,388	60,486	67,263
Prelude	4,679	7,226	38,316	50,398
HYUNDAI	26,850	20,689	184,378	92,775
ISUZU	5,874	3,379	27,179	21,664
I-Mark	5,372	2,606	22,452	13,102
Impulse	502	773	4,727	8,562
JAGUAR	2,084	1,676	14,146	15,325
XJ6	1,443	1,388	10,679	12,306
XJS	641	288	3,469	3,019
MASERATI	60	50	480	978
MAZDA	20,756	16,880	130,365	136,993
323	8,522	5,645	48,157	45,548
626	6,634	6,416	54,104	57,429
MX-6	404	0	404	0
929	87	0	87	0
RX-7	5,109	4,819	27,613	34,016
MERCEDES BENZ	7,483	7,265	60,003	58,263
190	1,556	1,485	12,460	13,363
260E	519	0	3,820	0
300	1,899	2,305	15,721	15,457
300SDL Turbo	604	742	4,810	2,919
420SEL	1,369	1,061	9,412	10,096
560SEL	440	624	4,046	5,940
560SL	930	803	7,819	7,426
560SEC	116	113	1,156	1,501
Tourist	50	132	759	1561
MERKUR	2,482	1,139	9,537	10,318
XR4Ti	1,170	1,139	5,995	10,318
Scorpio	1,312	0	3,542	0
MITSUBISHI	6,351	4,776	47,482	31,973
Starion	474	389	3,936	3,691
Cordia	230	388	2,718	3,359
Tredia	659	1,156	3,837	6,705
Mirage	832	1,402	10,689	8,562
Galant	748	1,441	7,436	9,656
Precis	2,944	0	14,055	0
Van/Wagon	464	0	4,811	0
NISSAN	33,747	47,807	279,878	336,858
Sentra	7,963	19,006	78,059	113,172
Pulsar	5,915	3,540	44,947	31,803
Stanza	5,655	7,410	43,840	43,129
Maxima	9,330	9,976	62,546	76,852
200SX	2,421	3,359	23,225	32,152
300ZX	2,246	4,220	25,056	36,594
Hawaii	217	294	2,205	3,156
PEUGEOT	793	1,040	6,086	8,810
PONTIAC LeMans	9,510	0	18,813	0
PORSCHE	2,137	2,956	17,013	20,561
924S	366	431	2,105	1,677
944	678	749	4,485	7,097
944S	130	0	1,603	0
944 Turbo	215	768	1,802	4,864
911 Coupe	333	406	2,959	2,936
911 Turbo	131	122	1,061	1,010
911 Cabriolet	145	250	1,637	1,403
928S	139	230	1,361	1,674
SAAB	4,657	4,308	31,496	33,287
900	1,091	1,282	6,756	10,128
900S	1,606	1,467	10,256	10,301
900 Turbo	922	763	6,160	5,627
9000S	402	0	2,467	6,623
9000 Turbo	560	690	5,229	0
Tourist	76	106	530	606
STERLING	1,426	0	9,317	0
SUBARU	17,745	13,493	109,695	120,524
Hatchback	839	1,420	5,025	11,770
3-Door	1,400	1,078	9,192	7,097
4-Door Sedan	3,898	3,341	26,979	35,363
XT	1,565	1,786	13,066	16,523
Station Wagon	8,684	5,868	48,615	49,771
Justy	1,359	0	6,818	0
TOYOTA	61,451	50,138	357,604	403,212
Corolla	10,928	13,041	65,235	96,893
Tercel	11,353	4,058	62,726	47,187
Celica	9,644	8,096	53,588	71,956
Supra	3,003	2,893	19,911	20,602
Camry	20,725	13,258	113,866	96,424
Cressida	2,291	3,719	14,410	26,573
Land Cruiser	366	338	2,697	2,556
Van	1,272	1,707	9,561	13,045
4Runner SR 5	201	276	1,111	4,017
MR2	1,321	2,439	11,235	19,950
Hawaii	347	311	3,262	4,009
VOLKSWAGEN	11,002	12,000	88,135	102,123
Cabriolet	1,243	1,045	10,638	10,334
Jetta	2,976	8,016	38,394	68,011
Vanagon	1,201	1,048	7,025	8,550
Quantum	855	985	4,559	7,480
Scirocco	681	906	5,043	7,748
Fox	4,046	0	22,486	0
VOLVO	10,080	10,157	80,951	85,050
240 Series	4,624	5,016	39,218	41,491
740 Series	3,784	4,143	31,206	34,407
760 Series	1,474	932	9,041	7,509
780	82	0	214	0
Tourist	116	66	1,272	1,643
YUGO	4,200	4,123	35,272	18,983
IMPORT TOTAL	308,641	278,498	2,049,751	2,090,496

Compiled by Karen Dellenbach

Dealer pact is revised by Peugeot

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Peugeot Motors of America has sent a new franchise agreement to its dealers. It marks the first major revision in the agreement in 15 years.

William Kelly, Peugeot general sales manager, said the new agreement was rewritten with the cooperation of an ad hoc committee of the Peugeot Dealer Council and the advice of the National Automobile Dealers Association.

It takes into account changes in policy at Peugeot as well as changes in the laws governing the sale of motor vehicles in the United States, Kelly said.

Like the old agreement, the new franchise is perpetual. "We don't refranchise every year," Kelly said.

Several key issues have been addressed. Kelly said procedures for dealing with lemon laws and recalls have been included.

For recalls, if there is a substantial delay in supplying parts for cars in dealer inventory, the dealer can obtain floorplanning relief. In extreme cases, he has "putback," or reimbursement, rights.

In the future, Peugeot will immediately credit dealer accounts for transportation damages.

Kelly said dealers wanted to service gray-market vehicles. He said the agreement permits that, provided customers are made aware of the fact that Peugeot Motors of America is not under obligation to warrant the cars.

Under the new agreement, the time for record retention has been reduced from three years to two years, Kelly said.

The dealer development plan, instituted by Peugeot last year, becomes part of the agreement. The plan sets minimum standards in sales, service and parts, including training. A minimum customer satisfaction index also is established.

The standards for the year are established by dealers and Peugeot Motors of America in individual meetings. Dealers will sign the new franchise agreements at the meetings, which are scheduled to begin in October, Kelly said.

Bob Lewis, president of the Peugeot Dealer Council, said the council contributed to the new agreement. He also said NADA was very helpful.

Lewis termed the agreement "nothing earth-shattering" and said that there was give and take on both sides — Peugeot and the council.

He said that signing the agreement was up to the individual dealers, but he said he believed that Peugeot has tried to write a franchise that is fair to both parties.

Poland, Fiat sign deal for '91 small-car output

TURIN — Fiat Auto officials have signed a $500 million contract with Poland's Pol Mot trade organization for a new small car to be built in Poland, beginning in 1991.

The new model, to replace the Fiat 126, will be built by FSM and sold in western Europe by Fiat dealers. Output is expected to reach 160,000 a year by 1995.

There is still no confirmation of whether Fiat or Japan's Daihatsu has the contract to build medium-sized cars in Poland with FSO.

Volvo's futuristic center

Visitors rub their eyes in disbelief. Not just because of the space-age architecture, but mostly at the sight of the unlikely combination of IBM and Digital computers, interlinked and working in harmony on Volvo passenger-car development projects in Gothenburg, Sweden.

Called the CAE (computer-aided engineering) Application Centre, one of its objectives is to cut Volvo's product-development lead time by 25 percent from concept to job-one assembly. (See related story on page 39.)

The CAE Application Centre encompasses all Volvo operations from product development to marketing.

All Volvo computing systems are simulated in four areas, called quadrants. They include product development, production, commercial systems and futuristic-idea development. The fourth quadrant also includes projects which do not fall naturally into one of the other quadrants.

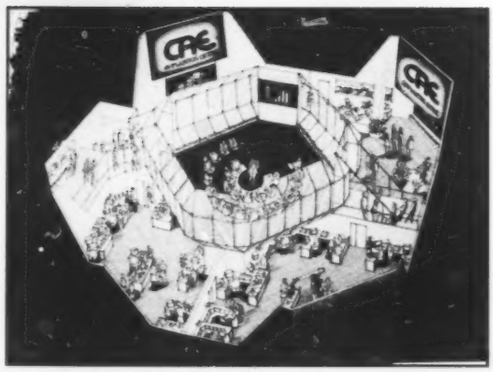
A major use of the quadrant system is checking out new equipment and techniques — including simulated trial runs of processes and products — without interrupting vehicle production.

Swedish Telecom has the job of linking together the various computers and terminals within and between the quadrants, and to the outside world. It does this by using a wide-band network.

Two channels currently are being used to test standardized manufacturing automation protocol (MAP), which is expected to be adopted industry-wide by auto manufacturers in the early 1990s.

Also being investigated and tested is technical office protocol (TOP), which involves handling engineering drawings and documents.

The CAE Application Centre also is used to hold global video conferences via remote-controlled cameras.



Artist's rendering of Volvo's CAE Application Centre shows how computing systems are simulated in four areas, called "quadrants."

For example, during a meeting between engineers in Sweden and another part of the world, pictures from a camera located in one of Volvo's robot laboratories can be switched in to permit a manufacturing process to be visualized and studied.

Among hundreds of research projects under way is Odette, which involves transferring administrative information between vehicle manufacturers and component suppliers. Its format has been agreed on by all European automakers, and pilot tests are under way. ■

WORLD NEWS BRIEFS

Volvo taps Kuilman

Martin Kuilman, 61, has been appointed chairman of the supervisory board of Volvo Car BV in the Netherlands. Kuilman, vice-president and vice-chairman of the board of management of N.V. Philips' Gloeilampenfabrieken, succeeds the late Wim Bogers, who had served as Volvo BV chairman for the last six years.

New engine for Opel

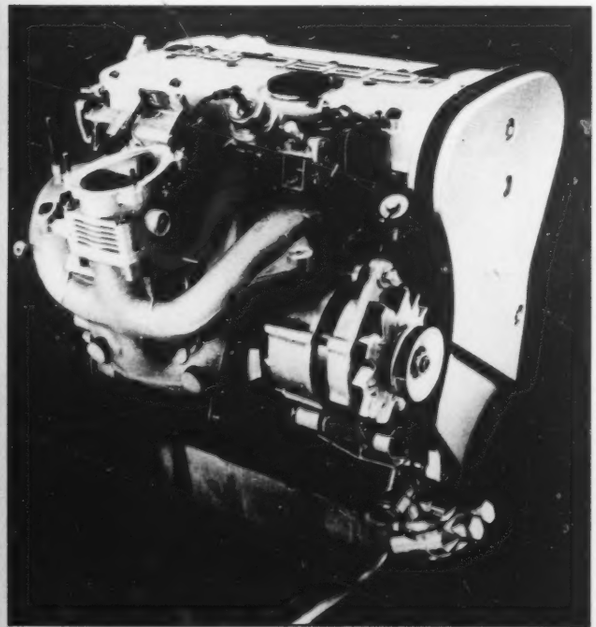
Adam Opel AG next spring will unveil a special version of the Kadett GSi, equipped with a brand-new 150-horsepower 2.0-liter 16-valve 4-cylinder engine (pictured below), featuring Bosch-Motronic fuel injection. The new engine, which made its debut earlier this month at the Frankfurt auto show, is said to propel the GSi 16V from 0-60 mph in about 7.8 seconds.

RVI finally sees black

Renault Vehicules Industriels, the French government-owned truck manufacturer, has emerged from the red for the first time since it was formed through the merger of two French commercial vehicle makers 13 years ago. RVI achieved a consolidated net profit of 30 million francs ($5 million) in the first half of 1987, and RVI chairman Philippe Gras said the unit will finish the year in the black. The improvement reflects an 80-million franc profit in the first half by Mack Truck, RVI's U.S. subsidiary. RVI lost 50 million francs during the period, compared to a loss of 460 million francs in the first half of 1986. Gras said both RVI and Mack will be profitable in the second half. Control of Mack transferred from the parent company, Renault, to RVI earlier this year. RVI was created in 1974 by the merger of Saviem and Berliet in France.

Perkins links with Bus

Perkins Engines and Bus Engineering Ltd., a wholly owned subsidiary of London Regional Transport, have agreed in principle on a joint venture to assemble Gardner diesel engines at a Bus plant in London. The joint venture would build some 1,000 Gardner engines for bus, coach, marine and truck applications during the first year of operation. The engines would continue to be sold and marketed by Gardner, which is part of the Perkins Engines Group.



Opel's new 2.0-liter 16-valve engine will appear in Kadett GSi next spring.

Africa gets MAN trucks

Lonhro, the British-based trading company, will market MAN heavy trucks to several African countries through a barter arrangement. Lonhro, MAN's importer in the U.K., will supply up to 100 West German-built trucks to Uganda, Kenya, Tanzania and Zambia in exchange for agricultural products.

Rover sells Indian stakes

The British government-owned Rover Group has put up for sale its 40 percent stake in Ashok Leyland, India's second-largest truck and bus maker, and its 50-percent holding in Ennore Foundries, a components maker in India. Ashok Leyland produces about 6,000 vehicles annually. Earlier this year, Rover sold its Leyland Trucks and Freight Rover units to Leyland-Daf, a new joint company owned by the Dutch truck manufacturer.

Jaguar's German expansion

Jaguar has formed a leasing joint venture in West Germany between the automaker's local sales unit and Lombard North Central, the financing arm of the National Westminster Bank in London. The newly formed Jaguar Leasing GmbH will market cars through Jaguar's approximately 100 dealers in West Germany. The British luxury-car maker expects to sell about 2,500 cars in Germany this year.

Thailand prefers Daimler

Thailand has placed an order with Daimler-Benz AG for 1,800 1¼-ton four-wheel drive military trucks. The deal is worth 250 million German marks ($139 million). Deliveries are scheduled to start by the end of the year.

Export drive pays off

Austin Rover, passenger-car unit of Britain's state-owned Rover Group, more than doubled its revenue from export sales during the first half of 1987 to 350 million British pounds ($560 million). Exports increased 15 percent to more than 70,000 cars, including 6,381 Sterlings sold in the U.S. since the car's mid-February launch. Austin Rover's largest export market is France, with first-half sales of more than 18,000.

Nissan financial moves

Nissan will set up three financial subsidiaries in Europe. The Japanese automaker plans to establish Nissan Motor Acceptance Corp. (Netherlands) to provide consumer car loans and other financing to customers and dealers. The unit is expected to begin operations by the end of the year. By the end of this month, London-based Nissan International Finance (Europe) Ltd. and Nissan International Finance (Netherlands) BV will have been formed. Both entities will issue commercial paper to investors.

Nissan snags land

Nissan has exercised its option to acquire the full 736-acre site in Washington, England, where it began production of Nissan Bluebirds last year. Nissan Motor Manufacturing (U.K.) has been occupying just under 300 acres of the site. Nissan previously announced plans to increase production substantially in Washington by the early 1990s.

GKN posts loss

GKN, the British automotive components and engineering giant, has reported a 10-percent drop in pre-tax profits to 67 million British pounds ($107 million) in the first half of 1987. GKN said earnings were affected by lower prices in its auto parts business in the United States.

Sales in Brazil

All Vehicles

	8 mos., 1987	8 mos., 1986
Agrale	843	1,040
Engesa	418	275
Fiat Auto	44,490	70,006
Ford	83,234	119,762
General Motors	91,153	140,728
Gurgel	1,178	1,315
Mercedes-Benz	21,516	23,661
Saab-Scania	2,622	3,383
Santa Matilde	17	120
Toyota	2,270	2,375
Volkswagen	124,739	231,746
Volvo	1,397	1,877
Total	373,877	596,288

Sales in Italy

Cars

	6 mos., 1987	6 mos., 1986
ARO	1,562	1,251
BMW	11,071	11,540
Chrysler	10	11
Daihatsu	81	91
DeTomaso	9,329	9,194
Innocenti	7,259	7,303
Maserati	2,070	1,891
Fiat Auto	686,213	623,349
Fiat	504,151	467,704
Alfa Romeo	67,757	68,225
Lancia/ Autobianchi	113,753	96,012
Ferrari	552	408
Ford	44,972	40,106
GM-Opel	34,621	32,824
Honda	25	163
Hyundai	1,207	633
Isuzu	55	0
Jaguar	356	182
Lada	681	510
Mazda	5	20
Mercedes-Benz	14,337	10,982
Mitsubishi	237	224
Nissan	12	0
Peugeot SA	83,249	74,347
Citroen	38,840	37,817
Peugeot Talbot	44,409	36,530
Porsche	478	443
Renault	89,138	84,865
Rolls-Royce	15	18
Rover Group	14,063	14,650
Saab	2,300	2,065
Skoda	943	880
Subaru	186	71
Suzuki	5,500	1,724
Toyota	931	340
UAZ	575	415
VW Group	129,982	104,506
Volkswagen	82,606	72,225
Audi	12,097	7,670
Seat	35,279	24,611
Volvo	9,459	9,756
Others	320	1,300
Total	1,141,913	1,035,460

Saab-Scania honors 3 researchers

STOCKHOLM, Sweden — At a ceremony here in historic City Hall, where the Nobel Prize is awarded, King Carl XVI Gustaf of Sweden recently presented the first Saab-Scania Prize to three auto industry researchers.

One German and two Swedish engineers shared the prize for their seperate work in development of emission control equipment and refinements to the turbocharged engine.

Saab-Scania initiated the new biennial award to recognize technical achievements in areas related to the Swedish manufacturer's automotive and aerospace operations.

"We like to look on ourselves as a technically oriented company," said Saab-Scania president Georg Karnsund. "This is very much according to the philosophy of this company to recognize important things."

Karnsund said the contest and its 250,000 krona ($40,000) cash value will be open to technical innovators around the world, not just Saab-Scania employees.

The first Saab-Scania Prize was shared by Gunther Baumann of Robert Bosch GmbH of West Germany and Bengt Gadefelt and Per Gillbrand of Saab-Scania.

CLAS GORAN CARLSSON

Left to right: King Carl XVI Gustaf; Baumann; Gadefelt; Gillbrand.

In the early 1970s, Baumann headed a research team involved in development of a control system that was a prerequisite for the three-way catalytic converter technique used worldwide for cleaning exhaust emissions.

Development of the system took on enormous significance at the time because of the adoption of strict new auto emissions regulations in the U.S.

Volvo in 1976 became the first car manufacturer to introduce the Bosch system in the U.S., with Saab following a few months later. Large-scale production of the system began in 1980.

Baumann, 57, has been head of Bosch's central research department since 1982. His share of the prize was 125,000 krona.

Gadefelt was honored for being among the leaders in the development of Saab's turbocharged engine. Introduced in 1977 on a version of the Saab 99, the Saab turbo touched off a worldwide automotive trend.

Gillbrand was also recognized for his contributions to Saab's turbocharging research and for his key involvement in the turbo engine's Automatic Performance Control (APC), a patented system which enables the turbo engine to perform optimally without prior adjustment when using fuels of various octane levels. The APC complement to the Saab turbo has been in serial production since 1981.

Gadefelt, 53, is now head of the engine design sector of the Scania Div. Gillbrand, 53, is head of engine experiments at the Scania Div. The two men each received 62,500 krona as their share of the cash award. ■

Vehicle Production in Japan

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	4,608,830	4,708,262	– 2.1
Trucks	2,581,812	2,652,887	– 2.7
Buses	29,606	26,686	+10.9
Total	7,220,248	7,387,835	– 2.3

Japanese Passenger Car Production, By Size*

	7 mos., 1987	7 mos., 1986	% change
Regular	297,849	294,307	+1.2
Small	4,232,101	4,326,832	–2.2
Mini	78,880	87,123	–9.5
Total	4,608,830	4,708,262	–2.1

*—Sizes are based on piston displacement: Regular, 2,001cc and larger; Small, 551cc to 2,000cc; Mini, 550cc and smaller.

New Vehicle Registrations in Japan

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	1,962,903	1,942,322	+1.1
Trucks	1,615,651	1,529,004	+5.7
Buses	14,688	14,092	+4.2
Total	3,593,242	3,485,418	+3.1

Japanese Vehicle Exports*

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	2,669,986	2,796,084	– 4.5
Trucks	1,095,179	1,223,042	–10.5
Buses	19,285	16,676	+15.6
Total	3,784,450	4,035,802	– 6.2

*—Includes knock-down kits exported to overseas countries for assembly.

Japanese Exports to the U.S.*

	7 mos., 1987	7 mos., 1986	% change
Passenger cars	1,223,144	1,369,766	–10.7
Trucks	585,234	652,261	–10.3
Buses	1	0	—
Total	1,808,379	2,022,027	–10.6

*—Includes Alaska and Hawaii, but not Puerto Rico and other island territories.
SOURCE: Japan Automobile Manufacturers Association

OVERSEAS REGISTRATIONS

NETHERLANDS
Cars

	6 mos., 1987	6 mos., 1986
BMW	7,530	8,204
Daihatsu	4,168	3,636
Fiat Auto	23,590	26,574
Fiat	19,758	22,506
Lancia	921	1,399
Alfa Romeo	2,911	2,669
Ford	36,738	38,706
GM-Opel	60,926	59,964
Honda	7,723	8,470
Hyundai	2,646	665
Jaguar	346	265
Lada	8,448	7,328
Mazda	15,417	14,696
Mercedes-Benz	7,425	7,956
Mitsubishi	9,846	8,905
Nissan	19,584	15,051
Peugeot SA	40,768	40,494
Citroen	18,824	19,356
Peugeot/Talbot	21,945	21,138
Renault	15,788	18,460
Rover Group	2,942	3,204
Saab	1,504	1,698
Skoda	2,511	3,031
Subaru	3,041	2,602
Suzuki	10,227	8,629
Toyota	17,354	17,565
VW Group	40,269	34,930
Volkswagen	30,307	27,930
Audi	5,990	4,229
Seat	3,972	2,771
Volvo	17,654	17,621
Others	694	896
Total	357,140	349,550

FINLAND
Cars

	6 mos., 1987	6 mos., 1986
BMW	1,536	1,714
Daihatsu	294	398
Fiat/Lancia	2,973	3,375
Ford	6,493	6,890
FSO	289	277
GM-Opel	7,501	7,786
Honda	3,325	3,019
Lada	8,630	6,501
Mazda	5,329	5,840
Mercedes-Benz	1,744	1,712
Mitsubishi	4,586	4,287
Nissan	9,055	9,298
Peugeot SA	4,057	3,395
Citroen	1,068	1,108
Peugeot/Talbot	2,989	2,287
Renault	688	680
Saab	3,972	3,926
Skoda	952	1,000
Subaru	562	358
Suzuki	646	774
Toyota	12,655	10,591
VW Group	7,193	7,491
Volkswagen	4,746	5,215
Audi	1,395	1,191
Seat	1,052	1,085
Volvo	4,812	4,100
Wartburg	233	306
Others	499	663
Total	88,024	84,381

SWEDEN
Cars

	8 mos., 1987	8 mos., 1985
BMW	3,834	3,144
Bertone	0	12
Daihatsu	1,064	920
Fiat Auto	5,865	5,303
Fiat	3,821	2,836
Lancia	1,111	1,607
Alfa Romeo	933	860
Ford	22,782	19,352
GM-Opel	20,943	16,418
Honda	2,513	2,682
Isuzu	89	0
Jaguar	71	31
Lada	1,667	1,130
Mazda	9,406	8,285
Mercedes-Benz	5,050	5,020
Mitsubishi	2,157	1,479
Nissan	10,794	9,071
Peugeot SA	6,849	4,560
Citroen	2,590	1,936
Peugeot/Talbot	4,259	2,624
Porsche	342	377
Renault	2,915	2,105
Rolls-Royce	11	3
Rover Group	7	0
Saab	17,059	17,079
Skoda	73	113
Subaru	1,063	927
Suzuki	1,301	659
Toyota	14,075	9,573
VW Group	24,873	19,927
Volkswagen	15,733	12,697
Audi	9,140	7,230
Volvo	47,171	39,994
Others	225	78
Total	199,284	166,138

DENMARK
Cars

	6 mos., 1987	6 mos., 1986
BMW	1,171	2,063
Dacia	71	237
Daihatsu	1,200	2,089
Fiat Auto	4,511	5,121
Fiat	4,117	4,808
Lancia	66	0
Alfa Romeo	328	313
Ford	8,629	13,248
FSO	396	811
GM-Opel	11,339	17,341
Honda	1,430	1,953
Jaguar	32	17
Lada	2,362	0
Mazda	6,428	10,347
Mercedes-Benz	803	724
Mitsubishi	1,432	405
Nissan	3,492	5,481
Peugeot SA	7,367	6,774
Citroen	4,312	4,598
Peugeot/Talbot	3,055	2,170
Porsche	8	17
Renault	186	579
Rover Group	363	227
Saab	594	994
Skoda	1,760	2,023
Subaru	215	360
Suzuki	45	198
Toyota	7,751	12,443
VW Group	5,883	8,716
Volkswagen	4,504	7,582
Audi	780	511
Seat	599	623
Volvo	2,655	3,844
Wartburg	494	443
Zastava	530	851
Total	68,132	97,306

UNITED KINGDOM
Cars

	6 mos., 1987	6 mos., 1986
BMW	28,521	27,670
Daihatsu	3,962	3,956
Fiat Auto	55,883	49,515
Alfa Romeo	1,540	1,775
Fiat	51,817	45,609
Lancia	2,526	2,130
Ford	413,412	374,238
FSO	3,375	3,422
GM-Vauxhall	201,585	217,219
Honda	16,775	14,811
Hyundai	6,261	5,278
Jaguar	8,207	5,320
Lada	17,626	14,882
Lotus	330	323
Mazda	11,788	13,445
Mercedes-Benz	16,161	14,717
Mitsubishi	8,925	8,649
Nissan	76,800	74,006
Panther	81	37
Peugeot SA	104,390	90,727
Citroen	33,633	25,367
Peugeot/Talbot	70,757	65,368
Renault	58,432	52,123
Rolls-Royce	631	628
Rover Group	225,635	228,355
Austin Rover	222,036	225,236
Range Rover	3,599	3,119
Saab	7,451	7,566
Skoda	10,098	8,722
Subaru	3,258	2,413
Suzuki	3,892	3,226
Toyota	27,750	27,258
VW Group	87,392	87,073
VW-Audi	80,976	82,986
Seat	6,416	4,087
Volvo	50,732	49,104
Zastava	5,897	6,083
Others	2,786	3,541
Total	1,459,719	1,394,680

WEST GERMANY
Cars

	7 mos., 1987	7 mos., 1986
BMW	92,805	94,141
Bertone	144	264
Daihatsu	6,806	7,352
Fiat Auto	83,974	81,563
Fiat/Lancia/ Ferrari	79,712	76,893
Alfa Romeo	4,262	4,670
Ford	177,004	181,020
GM-Opel	281,042	266,170
Honda	27,407	29,756
Isuzu	3,277	3,234
Jaguar	1,407	1,196
Lada	6,497	6,259
Mazda	53,118	51,241
Mercedes-Benz	177,160	181,051
Mitsubishi	41,456	36,852
Nissan	49,313	48,159
Peugeot SA	76,004	82,157
Citroen	27,920	29,191
Peugeot	48,084	52,966
Porsche	5,665	7,558
Renault	54,348	55,803
Rover Group	6,339	7,828
Saab	3,399	3,024
Skoda	1,534	2,096
Subaru	8,958	8,852
Suzuki	15,135	13,478
Toyota	55,086	53,706
VW Group	526,164	478,611
Volkswagen	394,264	383,163
Audi	125,700	92,583
Seat	6,200	2,865
Volvo	9,861	10,751
Others	3,573	3,513
Total	1,767,476	1,715,721

SWITZERLAND
Cars

	6 mos., 1987	6 mos., 1986
BMW	7,549	5,713
Bertone	30	164
Daihatsu	615	561
DeTomaso	105	148
Innocenti	53	58
Maserati	52	90
Fiat Auto	16,224	17,746
Alfa Romeo	3,074	3,811
Ferrari	147	165
Fiat	10,302	10,833
Lancia	2,701	2,937
Ford	12,874	14,539
GM-Opel	22,365	23,455
Honda	4,375	5,008
Isuzu	327	425
Jaguar	367	254
Lada	237	99
Lamborghini	10	8
Mazda	4,869	5,834
Mercedes-Benz	4,756	5,050
Mitsubishi	6,751	4,610
Nissan	7,397	5,568
Peugeot SA	14,529	14,728
Citroen	5,989	5,226
Peugeot/Talbot	8,540	9,502
Porsche	718	1,045
Puch	52	48
Renault	9,644	9,406
Rolls-Royce	50	66
Rover Group	1,055	1,322
Saab	1,176	1,134
Skoda	37	74
Subaru	7,538	6,713
Suzuki	2,081	1,926
Toyota	14,352	13,678
VW Group	26,386	27,534
Volkswagen	17,864	18,306
Audi	6,654	7,455
Seat	1,868	1,773
Volvo	2,963	3,285
Others	318	278
Total	169,750	170,419

AUCTION BRIEFS

Chrysler Motors Fleet Operations presented **Joe Maltese,** president of Aptco Auto Auction in Detroit, with an award for being the leading auto auction in nationwide dollar volume of Chrysler vehicles in 1986. Aptco sold 5,020 Chrysler corporate fleet vehicles in 1986 for a gross total of $45,786,375. Aptco is a subsidiary of Anglo American Auto Auctions Inc.

The Greater Twin Cities Collector Car Auction, featuring 250 cars valued at about $5 million, will be held Oct. 17 at the Minnesota State Fair Grounds in St. Paul, Minn. The auction will be conducted by Indiana-based Kruse International. Early entries include a 1929 Ford Model A roadster with a rumble seat, a 1957 Chevrolet Bel Air convertible and a 1956 Ford Thunderbird.

Anglo American Auto Auctions Inc., Nashville, Tenn., has named **Mike Franklin,** of Nashville Auto Auctions Inc., fleet-lease manager of the year. Franklin, who is fleet-lease manager and assistant general manager of the Nashville auction, won the award for his consistently high performance throughout the year. Nashville Auto Auctions is a subsidiary of Anglo American Auto Auctions Inc.

Greater Miami Auto Auction Inc., Miami, named Michael A. Penn president. Penn had been employed by Sun Chevrolet Inc., Miami.

Indiana-based Kruse International will sponsor the fourth annual **Ozarks Auto Show Auction** Oct. 31-Nov. 1 at the Ozarks Auto Show museum in Branson, Mo. The show will feature a restored 1930 Duesenberg LaGrande Phaeton. Other classic cars at the show will include a 1902 Oldsmobile, a 1941 Packard 110 Deluxe convertible, a 1936 Cord Model 810 Westchester and a 1967 Ferrari 330 GT 2+2.

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TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 1 PM. Mid-South's newest auto auction.

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Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

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Anglo American in limo market

2nd auction is this week; Chicago's Arena expects 150 cars

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Arena Auto Auction Inc. will break new ground in the Chicago area Oct. 2 when more than 150 limousines go on the block.

The auction hopes to find a market for limousines among Chicago-area livery services, hotels, dealers and funeral directors.

"Ninety-nine percent of the trade will be among dealers and airport livery and limo services," said Mike Eggleston, manager of Arena Auto Auction.

But he also said there could be a narrow market for the hybrid vehicles among Chicago-area funeral homes.

This will be the second auction in the nation devoted exclusively to the sale of limousines — the first was held July 17 at the Baltimore-Washington Auto Exchange Inc. in Maryland.

Limousine auctions are being promoted by Anglo American Auto Auctions Inc., Nashville, Tenn., which also has expanded into heavy-truck auctions in recent months. It also plans a boat auction. Arena Auto Auction and Baltimore-Washington Auto Exchange are part of the Anglo American network.

Michael J. Richardson, president of Anglo American, said "the limousine market is maturing and presently there is not a fully developed market with price guides and monitoring. We hope to develop that in the future."

But the introduction of limousines into Anglo's chain of auctions poses several challenges to the company's auction managers. Among them are determining prices for limousines and identifying exactly who might buy them.

"We didn't know who would come to the auction for a limousine sale," said Bud Burdge, manager of the Baltimore-Washington Auto Exchange. "The first customers who came to mind were hotels, livery companies and funeral directors." Most of the customers who came were dealers, but after the auction he received calls from hotel representatives.

Although Burdge was encouraged by the results of the sale, he said other problems included estimating prices for the vehicles and determining what bids owners would accept for the vehicles.

For example, when a 1982 Rolls-Royce went on the auction block, the final bid was $35,000 or roughly the price Burdge expected it would bring. However, it turned out the seller wanted $50,000.

"I think the owner was just getting a feel for what it was worth," Burdge said. "The main thing was that we got a lot of curiosity seekers in to see what a limousine could do at an auction."

Seventy limousines went through the auction and 18 were sold. Average selling price was $15,500. Seventy-five dealers attended along with 36 sellers and 15 buyers.

A seller rejected a $1,000 bid for a 1965 Lincoln, and a 1985 Mercedes limousine drew the top selling price of $23,000. The majority of the vehicles were stretched Lincoln Town Cars but there also were custom-extended Cadillacs, Chrysler LeBarons and Pontiac 6000 models. Mileage ranged from 20,000 to more than 100,000.

Limousines for the Chicago sale will be consigned from corporate fleets, manufacturers, financial institutions, leasing and rental companies and dealers.

Burdge said most limousines had reserve bids of $9,000 to $10,000 for the Maryland auction.

The Chicago sale will be open to the public and dealers.

Lansing auction to sell GSA units

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

For the first time, the federal government is relying on a private contractor to sell its vehicles.

Greater Lansing Auto Auction Corp., Lansing, Mich., signed a three-year agreement with the U.S. General Services Administration to dispose of its vehicles. The first public auction will offer 650 1981-84 cars and trucks and will be held Oct. 10.

"We are in the midst of a three-year replacement cycle and needed somewhere to sell a lot of cars in a hurry," said Gene Hatfield, GSA deputy director of fleet services.

The GSA employs its own auctioneers but decided to contract with a private company because of the large number of cars it has to unload.

Greater Lansing Auto Auction will be paid a flat rate of $103 per vehicle sold and $97.50 each for reconditioning, storage and transportation, according to Gary Bender, vice president — fleet and lease group. There will be no fee for buyers, and all vehicles will have a minimum bid.

Hatfield said this is the first time the GSA has sold vehicles through a private auction. Cars and trucks will come from five states — Michigan, Wisconsin, Minnesota, Illinois and Ohio.

A broad range of makes and models will be auctioned including Plymouth Reliant; Chevrolet Citation, Celebrity and Beauville vans; and Ford Bronco.

Vehicles all have between 50,000 and 60,000 miles, Hatfield said. Government agencies selling the vehicles include the military, Federal Aviation Administration, Department of Agriculture, National Weather Service and Housing and Urban Development.

Vehicles do not carry any government identification.

"The federal government stopped putting insignias on painted surfaces several years ago to reduce vandalism of its cars," Hatfield said.

Bender said early response to the sale by dealers has been positive even though it will be a public sale. The Greater Lansing Auto Auction is normally a dealer-only sale.

"We felt it would be a good way to expose the general public to another market," Bender said. "The buying public is not used to buying cars through auctions."

AUCTION DATES

American Motors

Sept. 29 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 30 — Kansas City Auto Auction, Kansas City, Mo., and Columbus Auto Auction, Columbus, Ohio

Chrysler Corp.

Sept. 29 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Sept. 30 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Oct. 1 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction

Ford Motor Co.

Sept. 29 — South Seattle Auto Auction, Kent, Wash.

Sept. 30 — Northway Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

Oct. 1 — Aptco Auto Auction, Taylor, Mich.; Houston Predelivery Center, Houston; Minneapolis Auto Auction, Plymouth, Minn.; and St. Louis Auto Auction, Bridgeton, Mo.

Oct. 6 — Harrisonburg Auto Auction, Harrisonburg, Va.

Oct. 7 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

General Motors

Sept. 29 — Harrisonburg Auto Auction, Harrisonburg, Va., and Florida Auto Auction of Orlando, Ocoee, Fla.

Sept. 30 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo., Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

Sept. to date	$6,047
Month ago	$6,070
Year ago	$5,209

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,385	$11,726	$11,512
1986	$8,860	$8,934	$9,032
1985	$7,332	$7,385	$7,394
1984	$5,742	$5,754	$5,756
1983	$4,960	$5,016	$5,081
1982	$3,621	$3,648	$3,684
1981	$2,587	$2,632	$2,642
1980	$2,047	$2,072	$2,068
Overall Average	$6,047	$6,070	$6,030

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Automotive News Classifieds Get Results

Sales famine continues; mid-September down 45%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Despite the approaching conclusion of the Big 3's consumer rebates and 1.9 percent financing, mid-September domestic-car sales declined 45.14 percent from a year ago. Most of the incentives are due to die this week.

Only Nissan and Honda reported gains, and Honda's was only three units.

Sales for the Sept. 11-20 period slumped to 161,633 compared with a record 294,641 last year.

There were eight selling days in the period this year and nine last year. The mid-month daily selling rate dipped to 20,204, down 38.29 percent from an average of 32,738 in 1986.

Mid-September's sales decline was not as steep as early-September's 51.85 percent dropoff. For the first 20 days of September, sales were down 48.87 percent — 339,145 this year and 663,321 in 1986.

The Big 3 automakers reported sales declines of 39 percent to 57 percent in mid-September compared to a year ago. Ford Motor Co.'s retail deliveries were down 38.84 percent to 47,228 from 77,224 last year.

General Motors sold 79,675 cars in the period compared to 157,534 a year ago for a drop of 49.42 percent. The dip was less severe than in early September when GM sales plummeted 60.79 percent from the year-ago period.

DOMESTIC SALES

	Sept. 11-20, 1987	Sept. 11-20, 1986
Eagle	550	2,580
Chrysler	7,836	16,458
Plymouth	5,964	12,684
Dodge	7,360	18,524
Chrysler Motors	21,710	50,246
Ford	31,053	51,391
Mercury	12,105	18,888
Lincoln	4,070	6,945
Ford Motor Co.	47,228	77,224
Buick	15,000	23,018
Cadillac	6,107	13,492
Chevrolet	30,895	53,392
Oldsmobile	15,148	39,952
Pontiac	12,525	27,680
General Motors	79,675	157,534
Volkswagen	1,281	2,092
Honda	5,553	5,550
Nissan	3,313	1,995
Toyota	2,873	0
U.S. Industry Total	161,633	294,641

Chrysler Motors' sales were off 56.79 percent. Chrysler dealers delivered 21,710 cars from Sept. 11-20 compared to 50,246 in 1986. Last year, Chrysler reported that mid-September sales, including imports, set a record for any mid-month period in its history.

Nissan reported a 66.07 percent gain in sales for mid-September with 3,313 vs. 1,995 a year ago. Honda's figures were 5,553 for the period compared with 5,550 last year. Volkswagen's sales of 1,281 were down 38.77 percent from 2,092 in 1986. Toyota's total was 2,873; it was not selling U.S.-built cars at this time last year.

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OUTPUT

FROM PAGE 1

O'Grady also agreed that GM will most likely be struck for a minimum of two weeks but, more likely, closer to a month. The strike would trim some units off GM's schedule but the carmaker may also have to make some production cuts in the fourth quarter, he added.

GM's fourth-quarter schedule calls for 887,350 cars 9.16 percent below the year-ago period's 976,803.

Michael Luckey, Shearson Lehman Brothers analyst, said GM's production schedule seems too aggressive. Assuming GM's estimate, it will have about a 100-day supply on Dec. 31, he said.

A strike against GM seems highly likely and could prove to be lengthy — probably one month, he said. GM may not mind taking a strike to get a better contract while trimming its inventory, he said.

Luckey said Chrysler's fourth-quarter forecast also appears to be too aggressive. Chrysler's car sales have slowed down in the last couple of months, he said. Assuming its market share rebounds in the fourth quarter because of sales of the Omni/Horizon America and Aries/Reliant America models, Luckey is predicting that Chrysler will end the year with about a 110-day supply of cars.

Chrysler's forecast of 303,000 cars for the fourth quarter is down 2.48 percent from the year-ago quarter's 310,715. Chrysler numbers include those of its Jeep-Eagle Division and its predecessor, American Motors.

Ford Motor Co. boosted its fourth-quarter schedule 8.43 percent to 474,000 compared to the year-ago period's 437,136.

Honda of America Manufacturing plans to build 77,420 cars in the fourth quarter, almost unchanged from the 77,095 built during the same period of 1986.

Volkswagen of America expects to assemble 22,000 units in the fourth quarter, 5.11 percent more than the 20,930 built during the same time last year.

Nissan Motor Manufacturing Co. U.S.A. projects that 15,232 cars will be built in the quarter, 54.58 percent below the 33,539 assembled in the fourth quarter of 1986. The decrease is due to the company's plan to start building more trucks and fewer cars at its plant in Smyrna, Tenn.

New United Motor Manufacturing Inc. scheduled 42,500 units for the fourth quarter, 10.15 percent below the 47,299 completed in the same quarter of 1986.

Mazda Motor Manufacturing, which recently began building cars in Flat Rock, Mich., was not able to estimate its fourth quarter build.

FOURTH QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	887,350	976,803	−9.16
Ford	474,000	437,136	+8.43
Chrys*	303,000	310,715	−2.48
Honda	77,420	77,095	+0.42
NUMMI	42,500	47,299	−10.15
Nissan	15,232	33,539	−54.56
VW	22,000	20,930	+5.11
Industry	1,821,502	1,903,517	−4.31

*1986 number includes American Motors.

FOOTBALL

FROM PAGE 1

ence we anticipated when we signed up for the NFL games," a Ford spokesman said.

"We presume that the ratings would be lower for games played with substitute players and we will work with the networks for alternatives if it becomes necessary," he said.

"The value of advertising on the Detroit Lions vs. the Chicago Bears, and the value of advertising on the Cookie Monsters vs. some other non-descript team is not the same," said a Chrysler spokesman.

Since most of the available slots for advertising on the networks have been purchased, automakers may have to buy out other advertisers on programs at premium prices or wait until there is advertising time available later. The latter is less desirable since automakers are anxious to tout their new models now to get buyers in showrooms.

Of all the GM divisions, Buick could feel the effects of the NFL strike the most since it is the only GM division that is introducing an all-new model this fall. Buick will introduce its 1988 Regal, the first product to come out of GM's $5 billion GM10 program, on Thursday.

Jay Qualman, Buick general director of advertising, said the NFL games were "a major part of the promotion of the Regal," but he said he did not expect the strike to affect sales.

"If the strike lasts a month, it could adversely affect advertisement on the Regal by 5 to 10 percent" if Buick chooses to shift its money to other shows later in the model year, he said.

Buick is set to launch its Regal television advertising campaign tonight during ABC's broadcast of the movie "Star Trek III," which replaces "Monday Night Football."

Qualman said approximately 10 percent of Buick's total television budget has been set aside for advertising spots on NFL games.

Other GM divisions, such as Chevrolet and Cadillac, were said to be looking at contingency plans for their NFL ads.

Toyota, another big NFL advertising sponsor, is planning to launch its 1988 television advertising campaign Oct. 22 during an NFL game on CBS. A Toyota spokesman said it is too soon to say what the company will do if the NFL players are still striking at that time.

RENAULT

FROM PAGE 2

would conduct a third investigation into state aid provided to Renault over the past three years.

Renault received from the state, its sole shareholder, some 10 billion French francs ($1.65 billion) in fresh capital between 1985 and 1987.

Two days later, Madelin announced a plan to modify Renault's extraordinary statutes so that it would become a company "like the others."

Renault's current statutes, which date back to nationalization by General Charles de Gaulle in 1945, are such that the company cannot go bankrupt, even though its balance sheet is currently negative to the tune of 16.4 billion francs ($2.7 billion).

But, before the government can give Renault the legal statutes of a normal private or nationalized company, it must restructure the group's balance sheet. It would not technically be possible to launch a new "Renault Motor Co. Inc." with a negative equity — not to mention some 54 billion francs in ($8.9 billion) debts.

The government has not given an explanation of its plan. But at the Frankfurt auto show earlier this month a few ideas were provided by Renault's Levy.

Levy expects to receive fresh capital from the state, but he does not know how much. He sent a letter to the government last spring asking for financial help, just as Georges Besse, then-president of Renault, had done in July 1986.

Levy provided the government with more details about Renault's condition and the company's outlook for 1988-89 in another letter sent in July. In that letter, Levy reportedly announced that Renault would make a corporate net profit of more than 1 billion francs ($165 million) in 1987.

Levy said in an interview, "If I get a reasonably restructured balance sheet, I can engage myself to go on without any further state aid. I reckon that I could soon go public to some extent and float some Renault shares on the financial market."

He declined, however, to further discuss the possible privatization of Renault or to mention capital injection requirements.

Calvet, although he strongly opposes the government's new restructuring plan for Renault, admitted that more problems at Renault would mean bad news for the entire French car industry.

"I remember saying one day before to some reporters that I hoped that Renault would recover, even at the expense of Peugeot. Those press men choked and said, 'But how can you say such a thing, it's unreasonable!' It is, I said. You must be practical and logical. Obviously, if Renault recovers, we at PSA will feel the heat, at least in the French market.

"Why do I say so? Because I'm a Frenchman first. I'm very much involved with PSA but I remain a Frenchman first. And I believe that it is very important that my country has two big carmakers, just like Germany has got four or five. I wish for only one thing: Renault's recovery. But a recovery through Renault's own internal forces and in a context of fair competition."

Calvet suggested his own plan for Renault: It should be privatized as soon as it viable, and then the government should decide whether Renault needs a capital injection.

"But anyway, (it should be) nothing like the completely insane amounts of the taxpayers' money that some are currently talking about," he added.

The Minister of Finance confirmed that changing Renault's statutes should not be viewed as groundwork prior to privatization. But he failed to give any details about the exact legal statute Renault might receive, about the amount of money the state might inject in the new company, or about the timing of the operation.

Last week, none of the parties involved were making any more comments.

DEALERS

FROM PAGE 1

his 1987 model year was level with 1986 and he is optimistic 1988 will be better for his dealership because the local economy is better.

He expects more incentives.

"As long as competition continues as it is, incentives will continue — whether the factory does it or I do it," he said.

Like many other dealers, Bullock is restructuring his used-car business to augment flagging showroom margins. He doubled his inventory of late-model used cars to cover that segment of the market that can't afford new cars.

Although much of the traditional unbridled October optimism is tempered with realism this year, there is still a high-degree of self confidence and divisional pride among dealers.

Juanita Baranco, general manager of Baranco Pontiac, Decatur, Ga., said she expects a better 1988 because of the strong Pontiac line, particularly the new Grand Prix and the LeMans.

Robert Fleming, R.H. Fleming Buick-Pontiac, Indiana, Pa., expects a better 1988 because he believes some people held off buying and because GM has an improved product line.

John Bergstrom, Bergstrom Chevrolet-Buick, Neenah, Wis., said 1988 will be flat for him with "no dive but no upswing either."

Bergstrom, who has Chevrolet, Cadillac, Buick, Oldsmobile and GMC franchises, believes Regal will be a big plus for Buick and the longer Eldorado will be a big plus for Cadillac.

Ford Motor Co. will not make its 1988 industry forecast until tomorrow at its national news conference. However, there is no mistaking the enthusiasm of its Ford and Lincoln-Mercury dealers.

The primary worries seem to be that dealers will not be able to get enough of the right product to sell and that inventory will not reach sufficient levels until November.

Ford and Lincoln-Mercury dealers believe it will be a tough market with increased competition from the imports. Most also believe that GM dealers will have it much worse.

Bob Karlin, owner of Santa Monica Ford, Santa Monica, Calif., said he and partner Wayne Harding expect 1988 model sales to increase by 50 percent.

"Ford really has a name now," Karlin said. "We're ordering more cars and will have higher stocking levels than ever."

Craig Kapson, owner of Jordan Ford, Mishawaka, Ind., and Jordan Lincoln-Mercury-Merkur, Elkhart, Ind., sees an overall industry decrease in 1988-model sales but expects Ford dealers to increase their penetration.

Kapson said he will not be able to get all of the models with automatic and automatic overdrive transmissions he wants, but he will prosper in 1988's more competitive market by merchandising what he can get.

"We already are planning promotions to take advantage of car lines other dealers don't want," Kapson said. "Weaker dealers will lose market," he said, "but we'll have an excellent year."

Stu Evans, owner of Stu Evans Lincoln-Mercury, Southgate, Mich., and Stu Evans Lincoln-Mercury, Garden City, Mich., said the overall market will be tougher than it has been for last two years.

Evans said he has already spent $100,000 on each store to increase customer comfort and will spend even more. In addition, he has increased his advertising budget.

"If we do the job right, we're not going to get hurt," Evans said.

Mark Berger, sales manager of Rock River Ford, Rockford, Ill., expects good sales next year, although sales won't be up much because 1987 was so strong.

Berger said it will help that 1988 is a presidential election year, and it won't hurt that prices will go up.

"What we're seeing is the clientele of our market change. We are getting Cadillac and Mercedes people coming in and looking at Tauruses," he said.

Even one oil belt Lincoln-Mercury dealer who has watched his local economy collapse and his new-car business decline, refused to be depressed. "I'm not rippin' a new hog or anything like that," he said, "but I'm holding my own."

The majority of Chrysler-Plymouth and Dodge dealers said they expect the 1988 model year at best to reach 1987 levels. Some predicted a slight decline in overall domestic sales.

Officially, Chrysler Motors is projecting 10.0 million cars and 4.9 million trucks for the 1988 model year, below the 15.5 million cars and trucks it expects will be sold in 1987.

Its dealers, however, did not predict the same outcome for their own dealerships in the 1988 model year.

Jeep-Eagle dealers interviewed were optimistic about their own franchises in 1988 because they are now a division of Chrysler Motors.

With only one exception, dealers said they expected their own sales in the 1988 model year to reach, or exceed, 1987 levels.

However, several dealers said that dealership profits will drop despite steady sales.

Dealers said the sales will be won in an increasingly competitive market that is oversaturated with vehicles.

"The competition is just multiplying like ants," said Chuck Swift, owner of Swift Dodge, Sacramento, Calif.

Swift predicted 1988 industry sales will reach 1987 levels. However, dealer profits will drop, he said.

Prices are a concern.

"I think there will be a leveling off in the 1988 model year. We'll have our hands full just keeping up sales at 1987 levels," said Bill Manus, vice president and general manager of Central Chrysler-Plymouth and Dick Shirley Chevrolet, Burlington, N.C.

"The average person can't pay $15,000 to $18,000 for a four-door sedan with automatic and air conditioning. The average monthly payment is prohibitive to the average buyer. People are not excited about buying cars," Manus said.

"People are buying more because of need than whim buying," said Ray Slavin, owner of Slavin Ford Dodge, Youngstown, Ohio.

Slavin foresees domestic industry sales dropping 15 percent to 25 percent in the 1988 model year.

Jeff Walther, owner of Jeff Walther Dodge, Dayton, Ohio, foresees domestic-industry sales dropping 5 percent to 10 percent in the 1988 model year, but he expects his own sales to increase by 10 percent.

"I think 1988 will go as well as 1987," said Luke Potter of Luke Potter Dodge, Winter Park, Fla. "Our fleet is even bigger than it was last year."

Potter said he has increased his fleet order from approximately 9,000 units in 1987 to more than 11,000 units in 1988.

"We're optimistic," he said.

PRODUCTION

Auto production in Mexico gains despite idle plants

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Mexican car production in August increased over the year-ago month's total despite downtime at three assembly plants.

Last month's output was 15,749 units, 12.85 percent more than the last year's 13,956.

For the first eight months of this year, 155,440 cars were assembled in Mexico, 17.40 percent more than the 132,402 completed during the same period last year.

Chrysler Motors' Mexican plant was idle for most of August due to model changeover. Output of 1,654 K-cars in Mexico was down 80.99 percent from July's 8,700 and 15.22 percent from last August's 1,951.

By the end of August, Chrysler had built 45,434 cars, up 50.39 percent over the 30,210 last year. Chrysler exports Aries and Reliant models to the United States.

Ford Motor Co., which has two plants in Mexico, reported production of 5,769 cars in August. All were Tracers for the United States. The plant that assembles Cougar, Thunderbird and Topaz for sale in Mexico was idled by a strike for the entire month.

Ford's August output was more than four times the year-ago month's 1,405, when the Tracer had not yet gone into production.

The year-to-date total for Ford was 37,751, compared to 14,201 last year.

General Motors produced 2,326 cars in Mexico during August, 55.23 percent below July's 5,195 but 60.64 percent more than the year-ago month's 1,448.

By the end of August, GM had built 12,778 cars, 13.22 percent more than the 11,286 assembled by the end of August 1986.

GM produces the Chevrolet Celebrity, Oldsmobile Cutlass Ciera and Buick Century in Mexico. Of those, the Celebrity is the only car exported to the United States.

Volkswagen's plant in Mexico was idle during August due to a strike. During the year-ago month, VW assembled 4,152 cars. For eight months, VW car production totaled 22,177, 51.12 percent below the 45,373 built during the 1986 period.

VW's Mexican plant assembles the Golf, Jetta, Beetle and Korsar (Quantum in the United States), all for the Mexican market.

Nissan produced 6,000 Sentras in August, 20 percent more than the 5,000 built in 1986. Through August, Nissan had built 37,300 cars, 19.05 percent more than the 31,332 completed last year.

Total North American auto production for August including the United States and Canada was 455,877, 16.15 percent below the year-ago month's 543,665.

The year-to-date North American car output at the end of August was 5,435,408, 11.13 percent below the 6,116,187 built in the same period last year.

MEXICAN, N. AMERICAN CAR
Aug. 1987 vs. Aug. 1986

	Aug. 1987	Aug. 1986	8 mos. 1987	8 mos. 1986
Chrysler	1,654	1,951	45,434	30,210
Ford	5,769	1,405	37,751	14,201
GM	2,326	1,448	12,778	11,286
Nissan	6,000	5,000	37,300	31,332
Volkswagen	0	4,152	22,177	45,373
Total Cars, Mexico	15,749	13,956	155,440	132,402
Total Cars, U.S.	412,717	480,857	4,777,235	5,285,420
Total Cars, Canada	27,411	48,852	503,523	698,365
Total Cars, N. American	455,877	543,665	5,436,198	6,116,187

CANADIAN CAR	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
CHRYSLER	100	121	110	405	3,065	4,031
FORD MOTOR	7,288	10,617	5,175	21,396	382,746	321,037
GENERAL MOTORS	10,818	4,115	9,781	36,951	370,941	212,400
HONDA	400	0	401	1,313	0	10,582
VOLVO	225	225	225	855	7,531	7,497
Total Cars, Canada	18,831	15,078	15,692	60,920	764,283	555,547

U.S. TRUCK☆	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
CHEVROLET	13,908	24,937	15,680	55,435	884,622	812,604
DODGE	7,700	5,387	9,001	31,775	86,892	206,221
FORD	34,302	24,917	31,016	120,139	1,073,165	1,086,697
GMC	8,700	7,555	8,223	29,469	272,684	282,544
NAVISTAR	1,665	1,615	1,617	5,888	53,878	54,007
JEEP	4,600	4,637	4,633	17,596	136,377	163,823
NISSAN	2,130	1,742	2,157	8,156	87,974	64,466
AM GENERAL*	450	50	450	1,800	1,912	11,610
MISCELLANEOUS*	2,300	2,300	2,300	9,200	86,940	87,100
Total Trucks, U.S.	75,755	73,140	75,077	279,458	2,684,444	2,769,072

CANADIAN TRUCK	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
JEEP	910	730	923	3,216	21,206	25,344
CHRYSLER	8,034	8,616	1,407	21,715	297,578	289,079
FORD	3,648	3,537	3,260	11,619	122,168	108,976
GENERAL MOTORS	6,555	1,746	4,432	20,624	176,814	165,242
NAVISTAR	225	197	228	858	7,020	7,035
Total Trks., Canada	19,372	14,826	10,250	58,032	624,786	595,676
U.S., Canada Trucks	95,127	87,966	85,327	337,490	3,309,230	3,364,748

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Sept. 26, 1987	Week Ended Sept. 27, 1986	Week Ended Sept. 19, 1987	Sept. to Date	Jan. 1 to Sept. 27, 1986	Jan. 1 to Sept. 26, 1987
AMERICAN MOTORS	0	1,695	0	0	40,488	15,994
Renault Total	0	1,695	0	0	40,488	15,994
Alliance	0	1,695	0	0	37,141	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	21,700	26,264	22,185	85,264	999,922	784,745
Plymouth Total	8,500	9,927	6,457	23,607	309,124	231,376
Horizon	400	3,845	464	1,107	129,104	34,104
Sundance	1,600	1,218	1,674	6,272	13,818	83,088
Reliant	3,800	3,591	3,515	13,187	118,042	89,705
Caravelle	500	849	590	2,189	33,748	34,698
Gran Fury	200	424	214	852	14,412	4,781
Chrysler Total	6,400	6,394	6,798	29,316	305,935	266,977
Laser	0	0	0	0	27,239	0
LeBaron K	900	874	943	3,631	69,454	51,442
LeBaron J	2,300	0	2,164	8,803	0	84,148
LeBaron GTS	700	1,370	812	2,972	54,498	29,515
N. Yorker E-Class	0	1,256	55	2,847	56,376	56,393
N. Yorker C-Class	0	0	281	1,789	0	2,169
Fifth Avenue	2,500	2,894	2,543	9,274	98,368	43,310
Dodge Total	8,900	9,943	8,930	32,341	384,863	286,392
Daytona	2,200	0	2,101	7,504	30,807	44,876
Omni	400	3,602	422	1,073	124,714	29,436
Shadow	1,800	1,094	1,854	6,975	12,546	70,697
Aries	3,100	2,320	2,905	10,908	92,270	82,555
Dodge 600	400	744	475	1,836	52,464	30,906
Dynasty	0	0	76	336	0	475
Lancer	400	751	500	1,787	39,389	18,382
Diplomat	500	1,432	597	1,922	32,673	9,065
FORD MOTOR	37,640	27,431	34,478	131,818	1,318,899	1,348,645
Ford Division	28,205	20,132	26,187	97,950	905,744	961,757
Escort	9,422	5,063	9,349	34,652	279,987	281,045
Mustang	5,313	4,630	4,564	18,820	144,977	158,883
Tempo	1,868	3,057	660	2,679	147,306	102,509
Taurus	8,112	7,382	8,845	30,777	229,004	303,938
Thunderbird	3,490	0	2,769	11,022	104,470	115,382
L-M Division	9,435	7,299	8,291	33,868	413,155	386,888
Mercury Total	5,259	3,431	4,356	18,205	280,509	252,303
Lynx	0	458	0	0	46,382	21,352
Capri	0	0	0	0	12,409	0
Topaz	564	857	178	791	43,396	33,649
Cougar	3,440	0	2,772	11,010	86,951	103,575
Sable	1,255	2,116	1,406	6,404	91,371	93,727
Lincoln Total	4,176	3,868	3,935	15,663	132,646	134,585
Continental	0	391	0	0	14,589	9,610
Lincoln	3,483	2,905	3,280	13,059	99,493	104,250
Mark VII	693	572	655	2,604	18,564	20,725
GENERAL MOTORS	70,627	84,596	62,853	245,039	3,121,103	2,523,324
Buick Total	11,952	17,629	11,693	46,402	586,202	415,043
Skyhawk	1,250	1,573	1,217	3,971	63,832	23,247
Century	1,150	2,875	1,135	7,736	174,863	121,014
Regal (rwd)	625	2,021	670	2,308	46,556	32,766
Somerset/Skylark	1,785	2,548	1,486	5,608	83,111	46,001
LeSabre (fwd)	4,650	4,641	4,867	17,736	117,575	108,856
LeSabre (rwd)	180	271	143	562	11,537	6,686
Electra (fwd)	1,924	3,700	1,907	7,411	69,241	66,902
Riviera	388	0	268	1,070	19,487	9,571
Cadillac Total	7,045	5,422	6,107	22,745	241,314	194,253
Cimarron	292	525	303	891	18,866	8,585
Allante	150	0	139	473	0	3,914
Brougham (rwd)	1,800	1,249	1,621	6,199	62,314	51,088
DeVille (fwd)	3,600	3,648	3,212	11,871	124,544	104,101
Eldorado	653	0	456	1,801	18,513	12,335
Seville	550	0	376	1,510	17,077	14,230
Chevrolet Total	27,251	31,946	22,961	90,669	961,941	978,340
Chevette	0	2,459	0	0	75,737	0
Camaro	2,530	3,256	2,330	8,610	134,403	90,226
Cavalier	6,958	8,280	4,272	18,394	301,785	226,722
Celebrity	4,764	8,629	4,353	16,770	183,372	217,291
Corsica/Beretta	7,390	318	7,398	27,757	573	237,383
Monte Carlo	1,785	2,759	1,633	6,464	87,708	51,886
Chevrolet	3,184	5,597	2,331	10,878	158,317	134,588
Corvette	640	648	644	1,796	20,046	20,244
Oldsmobile Total	11,982	14,032	11,364	41,342	746,138	453,708
Firenza	310	794	310	1,298	28,862	4,503
Calais	3,015	2,367	3,094	9,784	89,110	83,784
Cutlass Ciera	327	3,148	33	360	186,638	100,328
Cutlass Supreme	1,685	1,218	1,712	6,250	92,629	56,601
88 (fwd)	4,138	3,529	4,025	15,313	235,538	126,455
88 (rwd)	57	341	16	73	14,299	10,729
Olds 98	2,002	2,635	1,863	7,022	85,017	51,345
Toronado	448	0	311	1,242	14,045	11,369
Pontiac Total	12,397	15,567	10,728	43,881	585,508	481,980
Acadian*	0	697	0	0	11,905	0
Fiero	937	1,690	636	1,658	50,849	22,347
1000	0	908	0	0	16,525	0
Firebird	1,510	1,965	1,274	4,983	82,921	59,475
2000 Sunbird	2,010	3,636	1,059	5,036	105,404	65,715
Grand Am	4,800	4,213	5,022	16,995	167,675	176,153
6000	0	0	0	4,151	102,621	56,319
Bonneville	3,000	2,148	2,643	10,522	4,058	94,896
Safari/Parisienne	140	310	94	536	43,550	7,075
HONDA	6,080	6,013	5,542	23,032	158,590	242,842
Civic	240	1,197	100	417	2,266	71,847
Accord	5,840	4,816	5,442	22,615	156,324	170,995
MAZDA	100	0	93	349	0	349
NISSAN	2,600	2,153	2,581	9,841	30,902	97,563
NUMMI	3,500	3,000	3,563	12,452	148,613	145,018
Corolla	1,000	110	940	3,357	220	31,282
Nova	2,500	2,890	2,623	9,095	148,393	113,736
VOLKSWAGEN	200	2,018	0	200	61,986	43,329
Golf/GTI	70	2,018	0	70	61,986	34,845
Jetta	130	0	0	130	0	8,484
Total Cars, U.S.	142,447	153,170	131,295	507,995	5,880,503	5,201,809
Total Cars, Canada	18,831	15,078	15,692	60,920	764,283	555,547
U.S., Canada Cars	161,278	168,248	146,987	568,915	6,644,786	5,757,356
U.S., Canada Trks.	95,127	87,966	85,327	337,490	3,309,230	3,364,748
U.S., Canada Cars and Trucks	256,405	256,214	232,314	906,405	9,954,016	9,122,104

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Auto output climbs 8% to 142,447

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production of 142,447 was 8.49 percent more than the previous week's 131,295 but 7 percent below the year-ago week's 153,170.

Companies split last week's scheduled production as follows: General Motors, 49.58 percent; Ford Motor Co., 26.42 percent; Chrysler Motors, 15.23 percent; Honda of America Manufacturing Inc., 4.27 percent; New United Motor Manufacturing Inc., 2.46 percent; Nissan Motor Manufacturing Co. U.S.A., 1.83; Volkswagen of America, 0.14 percent; and Mazda Motor Manufacturing U.S.A. Corp., 0.07 percent.

Mazda reported production for the first time last week at its Flat Rock, Mich., plant. It said 93 MX-6 models were built the week ended Sept. 19, and Automotive News estimated that 100 were built last week.

VW's plant in Westmoreland, Pa., resumed production last week. The plant had been idle for model changeover since July 20.

Chrysler's Belvidere, Ill., plant resumed output today. The plant had been down because of a strike against Chrysler in Canada.

Truck assembly steady for week

Domestic truckmakers scheduled production of 75,755 units last week, slightly more (0.90 percent) than the previous week's 75,077 and 3.58 percent more than the year-ago week's 73,140.

Year-to-date, 2,769,072 trucks have been assembled, 3.15 percent more than the 2,684,444 built last year at this point.

General Motors' Pontiac East plant in Pontiac, Mich., and its Fort Wayne, Ind., plant resumed production last week. Both plants were idled the previous week because of a parts shortage due to a fire at GM's Saginaw Axle plant in Detroit.

GM's Pontiac Central plant in Pontiac, Mich., resumed output today. The plant had been idle for inventory adjustment.

Cars, trucks rise in Canada

Last week's targeted Canadian auto production of 18,831 was 20 percent more than the previous week's 15,692 and 24.89 percent more than the year-ago week's 15,078.

So far this year, 555,547 cars have been built, 27.31 percent below the 764,283 completed last year at this point.

Truck production was scheduled at 19,372 units last week, 89 percent more than the previous week's 10,250 and 30.66 percent more than the year-ago week's 14,826.

The prior week's output was affected by a strike against Chrysler. The strike was settled Sept. 17.

Year-to-date, 595,676 trucks have been built, 4.66 percent below the 624,786 assembled last year at this time.

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SPECIAL SECTION: MEET THE '88 MODELS

Automotive News

October 5, 1987

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VW, Fiat groups battle for sales crown in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Volkswagen Group's Audi and Seat models were the fastest-growing marques in the European industry through August, offsetting a flat sales year for the VW brand in Europe.

Volkswagen's soaring prestige-car and small-car subsidiaries enabled the group to nearly match Fiat Group's 1987 sales, according to industry estimates compiled by Automotive News.

During the first eight months, 8,528,600 cars were sold compared with 8,059,600 for the same period last year, a 5.8 percent increase.

Fiat — with Alfa Romeo's 1.5 percent share included — has led the European sales race through most of the year after finishing second to VW Group in 1986. Fiat acquired Alfa Romeo late last year.

Audi's sales through August increased 23.5 percent to 232,600 units in western Europe. The VW division benefited from strong reception to its new 80/90 models, which will be introduced Nov. 1 in the United States as a replacement for the 4000 series.

Seat, acquired by VW last year, was up 33.2 percent to 169,700 units. The Spanish vehicle maker has ridden the crest of a runaway domestic market in that country and has registered sharp improvements in several other European countries.

Volkswagen was up 1.5 percent to 853,900 units through August, while VW Group sales were 1,256,200, 8.6 percent better than last year and good for 14.7 percent of the European market.

Fiat Auto, including Fiat, Alfa Romeo, Lancia and Ferrari, held 14.8 percent of the market through August with sales of 1,261,500 units. The Fiat marque was up 10.1 percent to 947,400, largely on the strength of the Italian market.

At the eight-month mark last year, the VW group was the leader with 1,157,000 sales to Fiat Auto's 1,140,300.

Among Europe's other volume producers, Ford retained third place with a 12.1 percent share and sales of 1,029,700 through August, up 7.6 percent compared to the same period last year. Sales of the fourth-place Peugeot Group increased 9.1 percent to 988,300 units, an 11.6 percent share.

General Motors was fifth with 10.9 percent market share and sales of 932,900 units, an improvement of 2.1 percent over the same period the year before. Renault was sixth among Europe's volume producers with sales of 877,500, a gain of 8.2 percent for a 10.3 percent share.

The Japanese manufacturers' combined sales were 958,200 units, 11.2 percent of the European market through August. That compares with 11.6 percent for all of 1986.

The Japanese, led by Nissan and Toyota with 2.9 and 2.8 percent shares, respectively, have pulled even with their record 1986 sales pace. Japanese sales plummeted in the first quarter following reduced shipments to Europe late last year.

Despite a slump early this year, West Germany remained the largest single western European market with sales of 1,948,700 units through August, an improvement of 2.6 percent over last year's record pace. The United Kingdom was second at 1,459,700, a gain of 4.7 percent; followed by Italy, 1,418,200, up 11 percent; and France, 1,308,400, up 5.9 percent.

Spain continues as the fastest-growing market in Europe. Eight-month sales were up 43.3 percent to 620,100 units and are on pace for a record year of better than 900,000 sales.

EUROPEAN CAR SALES

Manufacturer	8 months 1987	8 months share	8 months 1986	Volume Change '87 vs '86
Fiat Group*	1,261,500	14.8	1,140,300	+10.6
VW-Audi-Seat	1,256,200	14.7	1,157,000	+ 8.6
Ford	1,029,700	12.1	957,300	+ 7.6
PSA**	988,300	11.6	905,900	+ 9.1
Japanese (all)	958,200	11.2	954,300	+ 0.4
Nissan	246,900	2.9	240,000	+ 2.9
Toyota	235,200	2.7	236,500	− 0.5
Mazda	158,900	1.9	171,300	− 7.2
Mitsubishi	107,200	1.2	97,600	+ 9.9
Honda	92,700	1.1	101,300	− 8.5
Other	117,300	1.4	107,600	+ 9.0
GM***	932,900	10.9	913,400	+ 2.1
Renault	877,500	10.3	811,000	+ 8.2
Austin Rover	303,300	3.6	304,500	− 0.4
Mercedes	299,200	3.5	295,000	+ 1.4
BMW	205,400	2.4	212,100	− 3.2
Volvo	181,500	2.1	182,100	− 0.3
Others	234,900	2.8	226,700	+ 3.6
Total	8,528,600	100.0	8,059,600	+ 5.8

* Includes Alfa Romeo
** Peugeot, Citroen, Talbot
*** Opel, Vauxhall, Isuzu, GM-U.S./Canada

Fiat's six-month sales jump 39%; profits rise 11%

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — With Alfa Romeo and several other new acquisitions in tow, Fiat S.p.A. group sales jumped 39 percent in the first half of this year, but the company's recent surge in profits slowed.

The six-month pre-tax earnings of 1.82 trillion lira ($1.38 billion) continued a string of Fiat profit gains, but the 11 percent rise was the smallest since the early 1980s. Pre-tax profits nearly doubled in each of the last two years.

Revenue grew to 19.85 trillion lira ($15 billion) in the first half from 14.32 trillion lira ($10.8 billion) in the same period last year.

But the year-to-year comparison is complicated by the addition of Alfa Romeo; Iveco-Ford UK, the commecial-vehicle joint venture with Ford; SNIA BPD, a textile, petrochemical, defense and aerospace company; and Astra, a small Italian commercial-vehicle manufacturer. Fiat said that without those four units, its sales for the first half would have been 16.6 trillion lira, an increase of 16 percent over the same 1986 period.

Fiat said group profitability before taxes increased despite a higher first-half research and development budget of 600 billion lira, an increase of 50 percent; greater depreciation; lower income due to the weak dollar; and "the poor financial position of certain recent acquisitions." Alfa Romeo had lost money for 13 consecutive years before it was acquired by Fiat from an Italian government-controlled industrial holding company late last year and merged with Lancia.

Giuseppe Tramontana, Alfa-Lancia Industriale managing director, said recently that the Alfa Romeo/Lancia unit will break even or show a small profit this year.

Firm to halt gray-market Citroen imports

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

A Georgia-based gray-market importer of Citroen cars has agreed to halt activities in order to settle a lawsuit brought against it by the French car company.

Citroen Importers of North America, which had been importing Citroen CX models, must also cease using the Citroen name and is enjoined from selling, distributing, or assisting in the importing of any automobiles built by Automobiles Citroen. Also named in the suit were Eurocar Ltd., an affiliated company, and Robert Boston, owner of the Roswell-based companies.

While Citroen Importers of North America will no longer be allowed to import Citroens under the agreement, it will be able to sell about 40 cars already in the country provided they are modified to meet U.S. regulations. However, the vehicles must be sold without advertising and with a disclaimer that the vehicle was not designed by Citroen to be sold in the United States and that the French company is not responsible for service, parts or warranties.

Citroen Importers must repurchase vehicles it sold that do not comply with federal regulations.

Citroen was able to press its case in the United States with the help of its sister company, Peugeot. A Peugeot Motors of America spokesman said that Citroen is aware of other companies importing the CX, but hasn't decided if it is going to pursue those cases.

Gerard Vion, commercial manager of overseas countries for Automobiles Citroen, said his company is analyzing a possible return to the U.S. market.

New Bentley for the young and rich
Rolls-Royce's four-door Bentley Mulsanne S is aimed at the "35-to-45 age bracket, about 10 years younger than the typical Rolls-Royce driver," says a company spokesman. The British luxury car is powered by a 6.75-liter V-8 and can be had for $107,500.

AUDI: *N.J. vehicle inspector hurt as car accelerates, hits tree*

By John Russell
AUTOMOTIVE NEWS STAFF REPORTER

CHERRY HILL, N.J. — A New Jersey Motor Vehicle inspector was injured last week when an Audi 5000 apparently suddenly accelerated during a routine vehicle inspection and hit a tree.

State officials have launched an investigation, according to H. Arthur Smith, a spokesman for the New Jersey Division of Motor Vehicles.

Smith said this was the first time an incident of this type has happened at a New Jersey inspection facility.

New Jersey has a mandatory annual inspection program for vehicles. Approximately 6 million are performed annually, and more than 80 percent are performed at state-owned inspection stations.

Audi has been plagued with incidents of unintended acceleration. In January, the company recalled 170,000 Audi 5000 models with automatic transmissions to install a shift lock that is supposed to prevent drivers from shifting the vehicle out of park unless the brake pedal is depressed. The car involved in this incident was equipped with the device.

The incident here occurred while an inspector, Daniel Farrell, was testing the 1984 Audi 5000's brakes. Reports said the car went out of control, but Farrell avoided a truck and another inspector before the car hit a tree and stopped.

Smith said Farrell was thrown out of the vehicle when it struck the tree. The inspector's injuries include fractured ribs. He was hospitalized.

Smith said a state investigation team along with Audi of America representatives were on the scene gathering information. The state also called in American Standards Testing Co., an independent investigating unit.

Smith said results of the initial tests probably would be available late this week.

A Volkswagen of America spokesman said the incident is under investigation and the company won't have the reports until next week.

Porsche to cut output of 4-cylinder models

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Porsche AG will cut production of its slow-selling four-cylinder cars during the next two years and will concentrate on the more profitable 911 and 928 models.

Porsche officials said four-cylinder output may eventually be cut by as much as 50 percent, but a spokesman last week denied that the company will stop making four-cylinder cars altogether.

Four-cylinder models represented 56 percent of the company's sales last year, and most analysts agree that abandoning four-cylinder production would put the company in an untenable position with its dealers around the world.

The spokesman said Porsche plans to cut two models from its current four-cylinder lineup, which consists of the 924-S, 944, 944-S and 944 Turbo. No timetable has been set, and the spokesman said it is not been decided what models will be dropped. However, the company is expected to phase out the two intermediate 944 versions and retain the bottom-level 924 and top-end 944 Turbo.

The drop in four-cylinder production is relatively painless for Porsche since it leases capacity from Audi in Neckarsulm, West Germany. The move will enable Audi to produce more of its new hot-selling 80/90 compact models at that plant. The 80/90 line was introduced in Europe late last year.

As it stands, Audi will probably have to divert cars from European markets to supply the United States. The new line is slated to replace the 4000 series there. U.S. introduction is slated for Nov. 1 and is seen as a crucial step in Audi's effort to improve its image.

Porsche said weak sales of 924 and 944 models, especially in West Germany, accounted for lower overall volume and revenue for the fiscal year ended July 31. Unit sales in the United States rose during the fiscal year, but have declined so far in calendar 1987.

Shrinking sales in Germany only add to what many analysts believe to be Porsche's most serious problem — an overdependence on the U.S. market that makes it vulnerable to currency swings.

Porsche has blamed its slide in profits on reduced demand for four-cylinder cars and the fall of the dollar against the German mark. The luxury carmaker won't disclose 1986-87 profit figures until February, but last week a spokesman termed its results "satisfactory."

Earlier this year, Heinz Branitzki, Porsche deputy chairman and chief financial officer, forecast net earnings of 50 million to 70 million German marks ($27.5-$38.5 million). That would represent a drop of 7 percent to 33 percent from 1985-86 net profits of 75.3 million marks ($41 million). That year's profits were down 37 percent from the year before.

Analysts expect Porsche to report a net profit of about 50 million marks, and they look for about the same total for the 1987-88 fiscal year.

"The results they've announced in terms of production and sales are quite revealing," said Stephen Reitman, West German industry specialist at Phillips & Drew in London. "It shows the squeeze they are having on four-cylinder cars. They've come quite clean on it."

Last week, the company an-

see PORSCHE, page 72

CADILLAC

Next Cimarron to be all-American

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

BLOOMFIELD HILLS, Mich. — Cadillac will replace its entry-level Cimarron with an all-American car rather than bring in an import.

Cadillac General Manager John Grettenberger acknowledged at last week's 1988 press preview that the division had looked at importing the Senator from Adam Opel AG, General Motors' West German subsidiary, to replace the Cimarron. But the division ultimately ruled it out.

"We want to capitalize on the fact that we are an American manufacturer of luxury cars," Grettenberger said. "Our future best lies in re-establishing Cadillac's position as an American car that is domestically produced . . . rather than trying to patch a situation by bringing in another import."

Contributing to Cadillac's decision may have been the fact that GM plans to import upscale Opel cars to the United States as early as next year and sell them through a separate franchise network.

Grettenberger said that the division is not pleased with Cimarron's sales. Sales in the 1987 model year totaled about 15,000, down from a high of 24,209 in 1986.

He said the car has reached first-time Cadillac buyers, women and import buyers, but sales have not been helped by the fact that the other four GM divisions sell cars built from the same platform.

AUTOMOTIVE NEWS: EDWARD PEABODY

John and Jane Grettenberger go for a spin on a carrousel at Cadillac's preview

"The next generation Cimarron, or what we hope to do in the future in regard to a near-luxury entry, must be totally distinctive to Cadillac," Grettenberger said. He did not offer details.

Grettenberger painted a picture of an intensely competitive luxury market.

He noted that in 1966, the total luxury-car market totaled 629,000 units, or about 7 percent of the total new-car market. Imports accounted for 6 percent of the luxury market. A decade later, the luxury market had grown to 905,000 units, or 9 percent of the total market, and imports nearly doubled their share to 11 percent. In 1986, luxury cars totaled 1.47 million units, or 11 percent of total sales, and imports took 43 percent.

"In five years," Grettenberger said, "we expect this market to increase by 300,000 more units."

While the segment will grow, new entries including Honda's Acura, Nissan's Infiniti and Toyota's Lexus are "a significant threat," he added.

"It can't just be relied on or taken for granted that it will take the Japanese a longer time to establish themselves in the luxury market because they're historically entrenched in the entry and mid-range," Grettenberger said. "I think that's a fallacy. If you think in those terms, they'll pass you by without you ever knowing what happened."

2 dealer groups fight Jeep-Eagle arbitration

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

A grass-roots movement among dealers is afoot to quash the mandatory binding arbitration clause in Chrysler Motors' new franchise agreement being circulated to Jeep-Eagle dealers.

Statewide dealer meetings were held last week in New Jersey and Texas as Chrysler dealers and former American Motors and Jeep dealers gathered to discuss the pact.

Charles E. Walton, executive vice president of the New Jersey Automobile Dealers Association, told about 80 dealers in his state that the arbitration clause was a ploy to "strip the dealers of their rights."

Walton made it clear that the association is prepared to battle Chrysler in court, either by joining an individual dealer's suit or as a class action. "We are going to move in one way or another," he said.

He termed the move by Chrysler to require binding arbitration in its franchise a "serious, slick attempt to change the whole ballgame."

The New Jersey dealers threw their support behind the efforts of the National Automobile Dealers Association to negotiate with Chrysler to develop a new agreement without binding arbitration. They also agreed to ask their association to provide legal assistance to dealers who may refuse to sign the arbitration agreement as presently proposed.

Meanwhile, NADA President-elect Jimmy Payton and other NADA executives were scheduled to meet Friday with the Texas dealer association on the matter. According to Payton, when Chrysler Motors found out about the meeting, it asked and received permission to attend. Thomas Pappert, group vice president of sales, was expected to be on hand.

The latest developments are in contrast to a statement made two weeks ago at a press conference by Joseph E. Cappy, Chrysler Motors group vice president — Jeep-Eagle marketing.

Asked about NADA's criticism of the binding arbitration provisions in the Jeep-Eagle franchise, Cappy, said, "The dealer advisory councils of the three dealer networks — Chrysler-Plymouth, Dodge and Jeep-Eagle — don't have any problem with the contract the way it stands. They are the ones we have to sign to the franchise, not NADA. You have to ask NADA what their problem is. Our dealers don't have a problem."

Cappy: "You have to ask NADA what their problem is because our dealers don't have a problem."

The sales agreement, announced by Chrysler in late August, has met with strong opposition from NADA. The corporation revised the agreement somewhat in response to that opposition, but did not drop the binding arbitration.

Instead, the company said dealer rights under state law will apply to the arbitration process.

An NADA spokesman said last week that while there is concern over other issues in the agreement, such as linking termination procedures to a customer satisfaction index, the main sticking point remains binding arbitration.

NADA is opposed to binding arbitration because dealers have no choice and surrender legal rights; because mandatory binding arbitration operates to "bypass" the procedures established under state law for the resolution of manufacturer/dealer disputes; and because there is no assurance that substantive dealer rights will be guaranteed in binding arbitration.

NADA also said the Federal Arbitration Act strictly limits the ability of a federal court to set aside an arbitration decision. That can only happen if the decision is obtained by corruption or fraud, or if there is misconduct by the arbitrator. NADA has said it can accept optional arbitration.

While Chrysler's action affects only AMC dealers signing the Jeep-Eagle franchise, there is a belief it will spread throughout the industry.

Ed Mullane, president of the Ford Dealers Alliance and a long-time activist for dealer interests, said if Chrysler is successful, "it will spread."

"They (Chrysler management) are probing and if dealers take it, they're dead," he said.

Walton said dealers are concerned about a recent U.S. Supreme Court ruling involving Southland Corp. and one of its 7-Eleven franchises that said once a franchise agreement involving binding arbitration is signed, the franchisee forfeits his or her rights under state law.

Staff Reporters Edward Lapham and Mary Connelly contributed to this story.

GM reviewing Penske-Potamkin deal

By John Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — General Motors is playing a key role in the Penske Group's move to acquire control of the New York City Potamkin Cadillac operations.

The Penske Group and Victor Potamkin recently reached an agreement in principle that now awaits GM's approval. The automaker is reviewing the agreement since it involves a complex real estate leasing arrangement along with the normal franchise approvals.

Alan Potamkin, vice president of the Potamkin organization, confirmed that an agreement in principle has been reached between the two organizations. However, he said that if GM approval is not received this week, the negotiations will end.

Potamkin said the agreement is very complex and would involve GM leasing the Potamkin facilities from Potamkin and in turn sub-leasing them to Penske.

Potamkin has a large Cadillac facility on 11th Avenue in Manhattan and a satellite facility about one mile away on York Avenue. Each location has two buildings, housing service and sales. The agreement calls for leasing one building at each location.

Negotiations between the Penske Group, headed by Roger Penske, and Potamkin, one of the largest dealer organizations in the nation, were made public in late June. Since then, the two organizations have not disclosed details, saying only that they were talking.

The real estate transaction had been mentioned in several reports in June as being one of the elements in the negotiations, but this is the first time it has been confirmed. Also, this is the first time that the GM connection in the negotiations has been confirmed.

Alan Potamkin declined to reveal any details.

Both the Potamkin organization and the Penske Group fall into the megadealer class. The Potamkin organization has 41 dealerships in five states. In 1986, it had $1 billion in sales.

In New York, Potamkin operates three dealerships handling Chrysler, Dodge, Plymouth, Sterling, Mitsubishi, Toyota and Volkswagen in addition to Cadillac. Potamkin Cadillac sold 5,013 new units in 1986.

Alan Potamkin said the company's other New York franchises are not affected by these negotiations.

The Penske Group, another $1 billion operation, has seven dealerships, Hertz-Penske Truck Leasing, and other automotive-related enterprises, including an Indy car racing team.

Last year, Penske Group purchased Longo Toyota, El Monte, Calif., the largest-volume Toyota dealership in the United States. Penske Group also has a Cadillac operation in Downey, Calif., where it sold 3,195 new units in 1986.

Both Potamkin Cadillac and Penske Cadillac are included in Automotive News' list of the Top 10 Cadillac dealerships in the United States in terms of new-car sales. Potamkin was second and Penske fourth.

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63rd year—No. 5201

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Old and new meet at GM Ohio stamping plant

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

At one end of General Motors' stamping plant in Mansfield, Ohio, a press transforms a flat piece of sheet metal into a rear door for a Chevrolet Corsica.

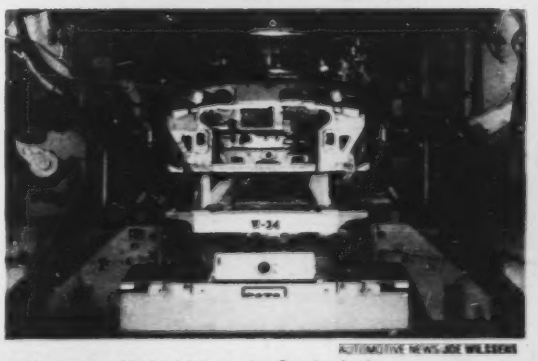
When it is time to switch to another part, the press stops. An overhead crane positions new dies weighing up to 40,000 pounds next to the press. Five or six men hook chains to the dies and drag them up into the press. Then they jockey the dies into place.

The process takes 8 to 12 hours, and there may be several more hours of adjustments and tryouts before a usable part is produced.

Within the same plant, new transfer presses also turn out Corsica doors. As the time approaches to switch from stamping out doors to another part, an overhead crane lifts the new dies onto a sliding platform as the press continues to run. The press stops. An overhead door, much like a garage door, opens on one side of the enclosed area that surrounds the press. The dies in the press drop onto a platform, which slides through the doors.

At the same time, doors on the other side of the press area open. The new dies slide into the press on the moving platform and lock themselves into place.

see ASSEMBLY, page 35



AUTOMOTIVE NEWS: JOE WILSEMS

Automated guided vehicle carries Corsica body

EPA SPECS

EPA mileage ratings for 1988 models

Est City	MPG Hwy	Car Line	CID & Fuel System	Trans
		TWO-SEAT CARS		
50	56	Honda Civic CRX HF	91-FI	M5
45	53	Honda Civic CRX HF	91-FI	M5
34	39	Honda Civic CRX	91-FI	M5
30	37	Honda Civic CRX	91-FI	L4
29	36	Honda Civic CRX	97-FI	M5
28	37	Ford EXP	113--FI	M5
26	34	Ford EXP	113--FI	M5
26	31	Toyota MR2	97-FI	M5
25	32	Subaru XT-DL	109--FI	M5
25	30	Toyota MR2	97-FI	L4
24	35	Pontiac Fiero	151-FI	M5
24	31	Pontiac Fiero	151-FI	L3
24	30	Ford EXP	113-FI	A3
24	30	Toyota MR2	97-FI	M5
22	27	Toyota MR2	97-FI	L4
21	27	Alfa Romeo Spider	120-FI	M5
19	29	Buick Reatta	231-FI	L4
19	23	Maserati Q Turbo	135-FI	A3
18	26	Nissan 300ZX	181-FI	L4
18	24	Pontiac Fiero	173-FI	L3
17	27	Pontiac Fiero	173-FI	M5
17	25	Nissan 300ZX Turbo	181-FI	M5
17	25	Nissan 300ZX	181-FI	M5
17	24	Mazda RX-7	80-FI	M5
17	24	Nissan 300ZX Turbo	181-FI	L4
17	24	Chevrolet Corvette	350-FI	M4
17	24	Chevrolet Corvette Convertible	350-FI	M4
17	23	Mazda RX-7	80-FI	L4
17	23	Mazda RX-7 Turbo	80-FI	M5
16	25	Chevrolet Corvette	350-FI	L4
16	25	Chevrolet Corvette Convertible	350-FI	L4
16	24	Cadillac Allante	249-FI	L4
14	17	Mercedes-Benz 560SL	338-FI	A4
13	18	Ferrari 328 GTS-GTB	194-FI	M5
13	17	Jaguar XJ-SC	326-FI	A3
10	15	Ferrari Testarossa	302-FI	M5
6	10	Lamborghini Countach	315--FI	M5
		MINICOMPACT CARS		
54	58	Chevrolet Sprint Metro	61-2bc	M5
37	43	Suzuki Forsa Turbo	61-FI	M5
37	43	Pontiac Turbo Firefly	61--FI	M5
37	43	Chevrolet Turbo Sprint	61-FI	M5
26	32	Toyota Celica Convertible	122-FI	M5
25	32	Toyota Celica Convertible	122-FI	L4
24	27	Volkswagen Cabriolet	109-FI	M5
22	24	Volkswagen Cabriolet	109-FI	A3
20	28	Porsche 924S	151-FI	M5
20	28	Porsche 944	151-FI	M5
20	23	Porsche 924S	151-FI	A3
19	27	Porsche 944 Turbo	151-FI	M5
19	26	Porsche 944S	151-FI	M5
19	22	Porsche 944	151-FI	A3
18	25	Porsche 911 Carrera	193-FI	M5
16	22	Porsche 911 Turbo	201-FI	M4
16	21	Porsche 928 S4	302-FI	A4
15	23	Porsche 928 S4	302-FI	M5
13	18	Ferrari 3.2 Mondial Cabriolet	194-FI	M5
		SUBCOMPACT CARS		
44	49	Pontiac Firefly	61-2bc	M5
44	49	Suzuki Forsa	61-2bc	M5
44	49	Chevrolet Sprint	61-2bc	M5
39	43	Ford Festiva	81-2bc	M5
38	42	Daihatsu Charade	61-FI	M5
38	40	Ford Festiva	81-2bc	M4
38	40	Pontiac Firefly	61-2bc	A3
38	40	Suzuki Forsa	61-2bc	A3
38	40	Chevrolet Sprint	61-2bc	A3
37	41	Isuzu I-Mark	90-2bc	M5
37	41	Chevrolet Spectrum	90-2bc	M5
37	41	Pontiac Sunburst	90-2bc	M5
37	39	Subaru Justy	73-2bc	M5
35	41	Toyota Tercel EZ	89-1bc	M4
35	38	Honda Civic	91-FI	M4
34	38	Dodge Colt	90-2bc	M4
34	38	Plymouth Colt	90-2bc	M4
34	38	Mitsubishi Mirage	90-2bc	M4
33	39	Isuzu I-Mark	90-2bc	M5
32	37	Honda Civic	91-FI	M5
32	37	Dodge Colt	90-2bc	M5
32	37	Plymouth Colt	90-2bc	M5
32	37	Mitsubishi Mirage	90-2bc	M5
31	37	Toyota Tercel	89-1bc	M5
31	35	Toyota Tercel	89-1bc	M4
31	33	Isuzu I-Mark	90-2bc	A3
31	33	Chevrolet Spectrum	90-2bc	A3
31	33	Pontiac Sunburst	90-2bc	A3
30	37	Toyota Corolla FX	97-2bc	M5
30	35	Toyota Corolla	97-2bc	M5
30	34	Mercedes-Benz 190D 2.5 Diesel	152-FI	A4
30	32	Dodge Colt	90-2bc	L3
30	32	Plymouth Colt	90-2bc	L3
29	36	Nissan Sentra Coupe	98-FI	M5
29	35	Honda Civic	91-FI	L4
29	32	Mitsubishi Mirage	90-2bc	L3
28	37	Hyundai Excel	90-2bc	M5
28	37	Mitsubishi Precis	90-2bc	M5
28	36	Isuzu I-Mark Turbo	90-FI	M5
28	36	Chevrolet Spectrum Turbo	90-FI	M5
28	33	Toyota Tercel	89-1bc	L3
28	31	Yugo GV	68-•2bc	M4
27	34	Toyota Corolla	97-2bc	L4
27	33	Hyundai Excel	90-2bc	M4
27	33	Mitsubishi Precis	90-2bc	M4
27	32	Yugo GV	79-•2bc	M5
27	31	Hyundai Excel	90-2bc	L3
27	31	Mitsubishi Precis	90-2bc	L3
27	31	Toyota Corolla FX	97-2bc	L3
27	30	Toyota Corolla	97-2bc	L3
26	34	Nissan Pulsar NX	98-FI	M5
26	32	Toyota Celica	122-FI	M5
26	31	Subaru Hatchback	109-2bc	M5
25	29	Nissan Sentra Coupe	98-FI	L3
25	34	Pontiac Sunbird Convertible	122-FI	M5
25	32	Toyota Celica	122-FI	L4
25	32	Subaru XT	109--FI	M5
25	31	Dodge Colt Turbo	98-FI	M5
25	31	Plymouth Colt Turbo	98-FI	M5
25	31	Mitsubishi Mirage Turbo	98-FI	M5
25	30	Volkswagen Fox	109-FI	M4
25	30	Ford Mustang	140-FI	M5
25	30	Nissan Pulsar NX	98-FI	L3
25	29	Toyota Corolla	97-FI	M5
25	29	Toyota Corolla FX	97-FI	M5
24	31	Mitsubishi Cordia	122-2bc	M5
24	31	Subaru XT	109--FI	L4
24	31	Mitsubishi Tredia	122-2bc	M5
24	28	Subaru XT 4wd	109--FI	M5
24	26	Dodge Colt Turbo	98-FI	L3
24	26	Plymouth Colt Turbo	98-FI	L3
24	26	Mitsubishi Mirage Turbo	98-FI	L3
23	31	Pontiac Sunbird Convertible	122-FI	L3
23	29	Toyota Corolla FX	97-FI	L4
23	29	Nissan Pulsar NX	110-FI	M5
22	28	Dodge Daytona	152-FI	L3
23	28	Chrysler LeBaron Convertible	152-FI	L3
23	28	Nissan 200SX	120-FI	M5
23	27	Honda Prelude 16-valve	119--FI	M5
23	27	Audi 80-90	121-FI	A3
23	27	Honda Prelude	119-2bc	M5
23	25	Mitsubishi Cordia	122-2bc	L3
23	25	Subaru Hatchback	109-2bc	L3
23	25	Mitsubishi Tredia	122-2bc	L3
22	31	Dodge Daytona	152-2bc	L3
22	31	Chrysler LeBaron Convertible	152-FI	M5
22	30	Audi 80-90	121-FI	M5
22	28	Toyota Celica	122-FI	L4
22	28	Toyota Celica	122-FI	M5
22	28	Mitsubishi Cordia Turbo	110-FI	M5
22	28	Volkswagen Scirocco 16V	109-FI	M5
22	28	Mitsubishi Tredia Turbo	110-FI	M5
22	28	Nissan 200SX	120-FI	L4
21	29	Dodge Daytona Turbo	135-FI	M5
21	29	Chrysler LeBaron Convertible Turbo	135-FI	M5
21	29	Mercedes-Benz 190E 2.3	140-FI	M5
21	28	Nissan Pulsar NX	110-FI	L4
21	27	Ford Mustang	140-FI	L4
21	27	Isuzu Impulse Turbo	121-FI	M5
21	27	Honda Prelude 16-valve	119--FI	L4
21	27	Saab 900 Convertible Turbo	121-FI	M5
21	24	Mercedes-Benz 190E 2.3	140-FI	A4
20	30	Pontiac Sunbird Convertible Turbo	121-FI	M5
20	29	Chevrolet Cavalier Convertible	173-FI	M5
20	28	Subaru XT	163-FI	L4
20	27	Chevrolet Cavalier Convertible	173-FI	L3
20	27	Pontiac Sunbird Convertible Turbo	121-FI	L3
20	26	Isuzu Impulse [illegible]	121-FI	L4
20	26	Isuzu Impulse	138-FI	L4
20	26	Isuzu Impulse	138-FI	M5
20	26	Honda Prelude	119-2bc	L4
20	25	Dodge Daytona Turbo	135-FI	A3
20	25	Chrysler LeBaron Convertible Turbo	135-FI	A3
20	22	Audi 80-90	141-FI	M5
20	23	Mercedes-Benz 190E 2.6	159-FI	A4
20	22	Saab 900 Convertible Turbo	121-FI	A3
19	27	Chevrolet Camaro	173-FI	L4
19	27	Pontiac Firebird Trans Am	173-FI	L4
19	26	Toyota Celica Turbo	122-FI	M5
19	26	Nissan 200SX	181-FI	M5
19	25	Subaru XT 4wd	163-FI	L4
18	27	Ford Mustang	302-FI	L4
18	26	Mercedes-Benz 190E 2.6	159-FI	M5
18	26	Nissan 300ZX 2+2	181-FI	L4
18	25	Subaru XT 4wd	163-FI	M5
18	25	Nissan 200SX	181-FI	L4
18	25	Alfa Romeo Milano	182-FI	M5
18	24	Chrysler Conquest Turbo	156-FI	L4
18	24	Alfa Romeo Milano	152-FI	M5
18	24	Mitsubishi Starion Turbo	156-FI	L4
18	24	Audi 80-90 Quattro	141-FI	M5
18	23	Toyota Supra Turbo	180-FI	L4
18	23	Toyota Supra	180-FI	L4
18	23	Toyota Supra Turbo	180-FI	M5
18	23	Toyota Supra	180-FI	M5
18	22	Chrysler Conquest Turbo	156-FI	M5
18	22	Mitsubishi Starion Turbo	156-FI	M5
18	22	Alfa Romeo Milano	152-FI	A3
17	29	BMW 3-Series	140--FI	M5
17	27	Chevrolet Camaro	173-FI	M5
17	27	Pontiac Firebird Trans Am	173-FI	M5
17	26	Chevrolet Camaro	305-FI	L4
17	26	Pontiac Firebird Trans Am	305-FI	L4
17	25	Nissan 300ZX 2+2	181-FI	M5
17	25	Chevrolet Camaro	305-FI	L4
17	25	Mercedes-Benz 380CE	181-FI	A4
16	26	Chevrolet Camaro	305-FI	M5
16	26	Pontiac Firebird Trans Am	305-FI	M5
16	25	Chevrolet Camaro	350-FI	L4
16	25	Chevrolet Camaro	305-FI	M5
16	25	Pontiac Firebird Trans Am	350-FI	L4
16	25	Pontiac Firebird Trans Am	305-FI	M5
16	24	Ford Mustang	302-FI	M5
15	20	BMW 6-Series	209--FI	M5
14	18	BMW 6-Series	209--FI	L4
13	17	Jaguar XJ-S	326-FI	A3
10	19	BMW 6-Series	211--FI	M5
9	11	Rolls-Royce Bentley Continental	412-FI	A3
9	11	Rolls-Royce Corniche II	412-FI	A3
		COMPACT CARS		
33	42	Ford Escort	113--FI	M4
31	40	Pontiac LeMans	98-FI	M5
30	39	Pontiac LeMans	98-FI	M4
30	37	Chevrolet Nova	97-2bc	M5
29	36	Nissan Sentra	98-FI	M5
29	35	Nissan Sentra	98-FI	M4
28	37	Ford Escort	113--FI	M5
28	35	Mercury Tracer	97-FI	M5
28	33	Mazda 323	98-FI	M5
27	38	Oldsmobile Firenza	122-FI	M5
27	38	Buick Skyhawk	122-FI	M5
27	38	Pontiac Sunbird	122-FI	M5
27	34	Honda Accord	119-2bc	M5
27	32	Pontiac LeMans	98-FI	L3
27	31	Chevrolet Nova	97-2bc	L3
26	34	Ford Escort	113--FI	M5
26	32	Toyota Camry	122-FI	M5
26	32	Oldsmobile Firenza	122-FI	L3
26	32	Buick Skyhawk	122-FI	L3
26	32	Pontiac Sunbird	122-FI	L3
26	30	Ford Laser	98-FI	M4
26	30	Mazda 323	98-FI	M4
25	29	Nissan Sentra	98-FI	L3
25	36	Chevrolet Cavalier	121-FI	M5
25	36	Oldsmobile Cutlass Calais	138-FI	M5
25	36	Oldsmobile Firenza	121-FI	M5
25	36	Pontiac Grand Am	138-FI	M5
25	35	Buick Skyhawk	121-FI	M5
25	35	Chevrolet Beretta	121-FI	M5
25	35	Chevrolet Corsica	121-FI	M5
25	34	Plymouth Horizon	135-FI	M5
25	34	Dodge Omni	135-FI	M5
25	34	Volkswagen Jetta	109-FI	M5
25	33	Volkswagen Golf	109-FI	M5
25	33	Dodge Shadow	135-FI	M5
25	33	Plymouth Sundance	135-FI	M5
25	32	Toyota Camry	122-FI	L4
25	32	Chevrolet Cavalier	121-FI	L3
25	32	Oldsmobile Firenza	121-FI	L3
25	32	Buick Skyhawk	121-FI	L3
25	32	Subaru 3-dr. Sedan	109--FI	M5
25	30	Honda Accord	119-FI	M5
25	30	Toyota Camry	122-FI	L4
25	30	Plymouth Horizon	135-FI	L3
25	30	Dodge Omni	135-FI	L3
25	29	Chevrolet Nova	97-FI	M5
25	29	Mercury Tracer	97-FI	A3
25	27	Subaru 3-dr. Sedan	109--FI	L3
24	34	Oldsmobile Cutlass Calais	138-FI	L3
24	34	Pontiac Grand Am	138-FI	L3
24	34	Buick Skylark	138-FI	L3
24	31	Chevrolet Beretta	121-FI	L3
24	31	Chevrolet Corsica	121-FI	L3
24	30	Ford Escort	113-FI	A3
24	30	Honda Accord	119-2bc	L4
24	30	Ford Laser	98-FI	L4
24	30	Mazda 323	98-FI	L4
24	29	Dodge Shadow	135-FI	L3
24	28	Chevrolet Nova	97-FI	L4
23	33	Oldsmobile Cutlass Calais	151-FI	M5
23	33	Pontiac Grand Am	151-FI	M5
23	33	Buick Skylark	151-FI	M5
23	31	Oldsmobile Cutlass Calais	151-FI	L3
23	31	Pontiac Grand Am	151-FI	L3
23	31	Dodge Shadow	152-FI	M5
23	31	Buick Skylark	151-FI	L3
23	31	Plymouth Sundance	152-FI	M5
23	29	Honda Accord	119-FI	L4
23	28	Volkswagen Golf	109-FI	A3
23	28	Volkswagen Jetta	109-FI	A3
23	28	Chrysler LeBaron	135-FI	L3
23	28	Chrysler LeBaron	152-FI	L3
23	28	Dodge Shadow	152-FI	L3
23	28	Plymouth Sundance	152-FI	L3
23	28	Plymouth Sundance	135-FI	L3
22	31	Chrysler LeBaron	152-FI	M5
22	29	Volkswagen GTI 16V	109-FI	M5
22	29	Volkswagen Jetta GLI 16V	109-FI	M5
22	28	Nissan Stanza	120-FI	M5
22	27	Toyota Camry	122-FI	M5
22	27	Mazda 323 Turbo	98-FI	M5
22	27	Saab 900 Turbo	121-FI	M5
22	27	Saab 900	121-FI	M5
22	27	Ford Tempo	140-FI	A3
22	27	Mercury Topaz	140-FI	A3
22	27	Volvo 240 DL, 240 GL	141-FI	M5
22	24	Subaru 3-dr. Sedan Turbo	109-FI	A3
21	31	Pontiac Sunbird Turbo	121-FI	M5
21	29	Chrysler LeBaron Turbo	135-FI	M5
21	29	Dodge Shadow Turbo	135-FI	M5
21	29	Plymouth Sundance Turbo	135-FI	M5
21	27	Mercury Cougar	231-FI	L4
21	27	Saab 900 Turbo	121-FI	M5
21	27	Saab 900	121-FI	M5
21	27	Nissan Stanza	120-FI	L4
21	27	Subaru 3-dr. Sedan 4wd Turbo	109-FI	L4
21	27	Volkswagen Fox	231-FI	L4
21	25	Subaru 3-dr. Sedan 4wd Turbo	109-FI	M5
21	24	Mazda 323 Turbo	98-FI	M5
20	30	Pontiac Grand Am Turbo	121-FI	M5
20	29	Chevrolet Cavalier	173-FI	M5
20	29	Cadillac Cimarron	173-FI	M5
20	27	Chevrolet Cavalier	173-FI	L3
20	27	Cadillac Cimarron	173-FI	L3
20	27	Pontiac Grand Am Turbo	121-FI	L3
20	27	Pontiac Sunbird Turbo	121-FI	L3
20	26	Chevrolet Beretta	173-FI	L3
20	26	Chevrolet Corsica	173-FI	L3
20	25	Chrysler LeBaron Turbo	135-FI	A3
20	25	Dodge Shadow Turbo	135-FI	A3
20	25	Plymouth Sundance Turbo	135-FI	A3
20	25	Merkur XR4Ti Turbo	140-FI	M5
20	24	Volvo 240 DL, 240 GL	141-FI	A4
20	24	Mercedes-Benz 260E	159-FI	A4
20	23	Saab 900 Turbo	121-FI	A3
19	29	Chevrolet Beretta	173-FI	M5
19	29	Chevrolet Beretta	173-FI	M5
19	29	Chevrolet Corsica	173-FI	M5
19	29	Chevrolet Corsica	173-FI	M5
19	27	Oldsmobile Cutlass Calais	181-FI	L3
19	27	Buick Skylark	181-FI	L3
19	25	BMW 5-Series	164--FI	M5
19	24	Austin Rover Sterling	152-FI	M5
19	24	Acura Legend	163-FI	M5
19	24	Volkswagen Quantum	136-FI	M5
19	23	BMW 5-Series	164--FI	L4
19	22	Peugeot 505 Sedan	152--FI	L4
19	22	Saab 900	121-FI	A3
19	21	Saab 900	121-FI	A3
18	27	Ford Thunderbird	302-FI	L4
18	27	Ford Thunderbird Turbo	140-FI	M5
18	26	Nissan Maxima	181-FI	M5
18	26	Mercedes-Benz 260E	159-FI	M5
18	25	Mercury Cougar	302-FI	L4
18	25	Jaguar XJ-6	219-FI	L4
18	24	Toyota Cressida	168-FI	L4
18	24	Nissan Maxima	181-FI	L4
18	24	Peugeot 505 Sedan Turbo	131--FI	M5
18	23	Austin Rover Sterling	152-FI	L4
18	23	Acura Legend	163-FI	L4
18	23	Peugeot 505 Sedan	131--FI	M5
18	22	Mitsubishi Galant Sigma	181-•FI	A4
18	22	Volkswagen Quantum	136-FI	A3
18	22	Peugeot 505 Sedan	174--FI	L4
18	22	Peugeot 505 Sedan Turbo	131--FI	L4
18	22	Peugeot 505 Sedan	174--FI	M5
18	21	Merkur XR4Ti Turbo	140-FI	A3
17	25	Mercedes-Benz 300E	181-FI	M5
17	24	Mitsubishi Galant Sigma	181-•FI	M5
17	24	Jaguar XJ-6	219-FI	L4
17	22	Ford Thunderbird Turbo	140-FI	L4
17	22	Mercedes-Benz 300E	181-FI	A4
17	20	Volvo 780	174-FI	A4
16	21	BMW 5-Series	209--FI	L4
15	21	BMW 5-Series	209--FI	M5
13	16	Mercedes-Benz 560SEC	338-FI	A4
10	19	BMW 5-Series	211--FI	M5
		MID-SIZE CARS		
25	34	Dodge Lancer	135-FI	M5
25	34	Chrysler LeBaron GTS	135-FI	M5
25	33	Dodge Aries	135-FI	M5
25	33	Plymouth Reliant	135-FI	M5
25	33	Eagle Renault Medallion Sedan	132--FI	M5
25	30	Dodge Aries	109-FI	L3
25	30	Plymouth Reliant	135-FI	L3
24	31	Chevrolet Celebrity	151-FI	L3
24	31	Buick Century	151-FI	L3
24	31	Oldsmobile Cutlass Ciera	151-FI	L3
24	31	Mazda 626, MX-6	133-FI	M5
24	31	Pontiac 6000	151-FI	L3
23	32	Ford Taurus	152-FI	M5
23	28	Plymouth Caravelle	135-FI	L3
23	28	Plymouth Caravelle	152-FI	L3
23	28	Dodge Dynasty	152-FI	L3
23	28	Dodge Lancer	152-FI	L3
23	28	Dodge Lancer	135-FI	L3
23	28	Chrysler LeBaron GTS	135-FI	L3
23	28	Chrysler LeBaron GTS	152-FI	L3
23	28	Dodge 600	152-FI	L3
23	28	Dodge 600	135-FI	L3
23	28	Dodge Aries	152-FI	L3
23	27	Plymouth Reliant	152-FI	L3
22	31	Dodge Lancer	152-FI	M5
22	31	Chrysler LeBaron GTS	152-FI	M5
22	28	Mazda 626, MX-6	133-FI	L4
22	27	Volvo 740, 760	141-FI	M5
21	29	Chevrolet Celebrity	173-FI	L4
21	29	Buick Century	173-FI	L4
21	29	Oldsmobile Cutlass Ciera	173-FI	L4
21	29	Dodge Lancer Turbo	135-FI	M5
21	29	Chrysler LeBaron GTS Turbo	135-FI	M5
21	29	Mercury Sable	182-FI	L4
21	29	Ford Taurus	182-FI	L4
21	28	Mazda 626, MX-6 Turbos	133-FI	M5
21	26	Ford Taurus	152-FI	A3
21	26	Volvo 740, 760	141-FI	L4
20	29	Chevrolet Celebrity	173-FI	M5
20	29	Oldsmobile Cutlass Supreme	173-FI	L4
20	29	Pontiac Grand Prix	173-FI	L4
20	29	Buick Regal	173-FI	L4
20	29	Pontiac 6000	173-FI	L4
20	29	Pontiac 6000	173-FI	M5
20	27	Chevrolet Celebrity	173-FI	L3
20	27	Buick Century	172-FI	L3
20	27	Oldsmobile Cutlass Ciera	173-FI	L3
20	27	Pontiac 6000	173-FI	L3
20	26	Eagle Renault Medallion Sedan	132--FI	A3
20	25	Plymouth Caravelle Turbo	135-FI	A3
20	25	Dodge Lancer Turbo	135-FI	A3
20	25	Chrysler LeBaron GTS Turbo	135-FI	A3
20	25	Chrysler New Yorker Turbo	135-FI	A3
20	25	Audi 5000S	141-FI	M5
20	25	Dodge 600 Turbo	135-FI	A3
20	25	Volvo 740, 760 Turbos	141-FI	M4
19	29	Buick Century	231-FI	L4
19	29	Oldsmobile Cutlass Ciera	231-FI	L4
19	29	Buick Riviera	231-FI	L4
19	29	Oldsmobile Toronado	231-FI	L4
19	28	Oldsmobile Cutlass Supreme	173-FI	M5
19	28	Pontiac Grand Prix	173-FI	M5
19	27	Chevrolet Monte Carlo	262-FI	L4
19	26	Dodge Dynasty	181-FI	L3
19	26	Chrysler New Yorker, Fifth Avenue	181-FI	L3
19	25	Mazda 626, MX-6 Turbos	133-FI	L4
19	23	Mazda 929	180-FI	L4
19	23	Audi 5000S	141-FI	A3
19	22	Volvo 740, 760 Turbos	141-FI	A4
18	26	Audi 5000CS Turbo	136-FI	M5
18	25	Oldsmobile Cutlass Supreme Classic	307-4bc	L4
18	24	Mazda 929	180-FI	M5
18	24	Audi 5000S Quattro	141-FI	M5
18	22	Audi 5000CS Turbo	136-FI	A3
17	25	Audi 5000CS Quattro Turbo	135-FI	M5
17	24	Lincoln Mark VII	302-FI	L4
17	24	Cadillac Eldorado	275-FI	L4
17	24	Chevrolet Monte Carlo	305-4bc	L4
17	24	Cadillac Seville	275-FI	L4
17	23	Dodge Diplomat	318-2bc	L3
17	23	Plymouth Gran Fury	318-2bc	L3
17	23	Chrysler Newport, Fifth Avenue	318-2bc	L3
17	23	Merkur Scorpio	170-FI	M5
17	23	Merkur Scorpio	179-FI	L4
17	20	Volvo 740, 760	174-FI	A4
17	19	Mercedes-Benz 300SEL	181-FI	A4
15	22	BMW 7-Series	209--FI	M5
15	18	Mercedes-Benz 420SEL	256-FI	A4
14	19	BMW 7-Series	209--FI	L4
13	16	Mercedes-Benz 560SEL	338-FI	A4
9	11	Rolls-Royce Bentley Eight, Bentley Mulsanne	412-FI	A3
9	11	Rolls-Royce Silver Spirit, Silver Spur	412-FI	A3
		LARGE CARS		
24	32	Eagle Premier	150-FI	M5
22	31	Eagle Premier	150-FI	L4
21	27	Saab 9000	121-FI	M5
20	28	Saab 9000 Turbo	121-FI	M5
19	29	Pontiac Bonneville	231-FI	L4
19	29	Oldsmobile Delta 88	321-FI	L4
19	29	Buick Electra	231-FI	L4
19	29	Buick LeSabre	231-FI	L4
19	29	Oldsmobile Ninety-Eight, Touring	231-FI	L4
19	27	Chevrolet Caprice	262-FI	L4
19	26	Saab 9000 Turbo	121-FI	L4
18	27	Eagle Premier	182-FI	L4
17	24	Cadillac Brougham	307-4bc	L4
17	24	Mercury Grand Marquis	302-FI	L4
17	24	Ford LTD Crown Victoria	302-FI	L4
17	24	Saab 9000	121-FI	L4
17	24	Lincoln Town Car	302-FI	L4
17	24	Cadillac DeVille	275-FI	L4
17	24	Cadillac Fleetwood	275-FI	L4
16	24	Chevrolet Caprice	305-4bc	L4
9	11	Rolls-Royce Silver Spur Limousine	412-FI	A3
		SMALL STATION WAGONS		
33	42	Ford Escort Wagon	113--FI	M4
30	35	Toyota Corolla Wagon	97-2bc	M5
28	37	Ford Escort Wagon	113--FI	M5
28	35	Nissan Sentra Wagon	98-FI	M5
28	33	Mazda 323 Wagon	98-FI	M5
27	38	Oldsmobile Firenza Cruiser	122-FI	M5
27	38	Buick Skyhawk Wagon	122-FI	M5
27	38	Pontiac Sunbird Wagon	122-FI	M5
27	30	Toyota Corolla Wagon	97-2bc	L3
26	32	Toyota Camry Wagon	122-FI	M5
26	32	Oldsmobile Firenza Cruiser	122-FI	L3
26	32	Pontiac Sunbird Wagon	122-FI	L3

EPA SPECS

Est. City	MPG Hwy	Car Line	CID & Fuel System	Trans.
25	30	Toyota Camry Wagon	122-FI	L4
25	30	Volkswagen Fox Wagon	109-FI	M4
25	29	Nissan Sentra Wagon 4wd	98-FI	M5
25	29	Mercury Tracer Wagon	97--FI	A3
25	27	Subaru Wagon	109--FI	L3
24	31	Buick Skyhawk Wagon	122-FI	L3
24	30	Ford Escort Wagon	113-FI	A3
24	28	Mazda 323 Wagon	98-FI	A3
24	25	Toyota Tercel Wagon	89-2bc	A3
23	29	Dodge Colt Vista	122-FI	M5
23	29	Plymouth Colt Vista	122-FI	M5
23	24	Dodge Colt Vista	122-FI	L3
23	24	Plymouth Colt Vista	122-FI	L3
23	24	Mitsubishi Space Wagon	122-FI	L3
22	24	Subaru Wagon Turbo	109-FI	A3
21	27	Subaru Wagon 4wd Turbo	109-FI	L4
21	25	Subaru Wagon 4wd Turbo	109-FI	M5
20	29	Chevrolet Cavalier Wagon	173-FI	M5
20	27	Chevrolet Cavalier Wagon	173-FI	L3
19	23	Volkswagen Quantum Wagon	136-FI	M5
18	24	Nissan Maxima Wagon	181-FI	L4
18	22	Volkswagen Quantum Wagon	136-FI	A3
17	21	Volkswagen Quantum Syncro Wagon	136-FI	M5
		MID-SIZE STATION WAGONS		
25	34	Plymouth Reliant Wagon	135-FI	M5
25	33	Dodge Aries Wagon	135-FI	M5
24	33	Eagle Renault Medallion Wagon	132--FI	M5
24	31	Chevrolet Celebrity Wagon	151-FI	L3
23	29	Dodge Aries Wagon	152-FI	L3
23	28	Dodge Aries Wagon	135-FI	L3
23	28	Plymouth Reliant Wagon	152-FI	L3
23	28	Plymouth Reliant Wagon	135-FI	L3
23	28	Chrysler Town & Country Wagon	152-FI	L3
22	29	Buick Century Wagon	151-FI	L3
22	29	Oldsmobile Cutlass Cruiser	151-FI	L3
22	29	Pontiac 6000 Wagon	151-FI	L3
22	28	Volvo 240 DL, 240 GL Wagon	141-FI	M5
22	28	Volvo 740, 760 Wagon	141-FI	M5
22	27	Nissan Stanza Wagon 2wd	120-FI	M5
21	29	Mercury Sable Wagon	182-FI	L4
21	29	Ford Taurus Wagon	182-FI	L4
21	26	Volvo 740, 760 Wagon	141-FI	L4
21	25	Nissan Stanza Wagon 2wd	120-FI	L4
20	29	Chevrolet Celebrity Wagon	173-FI	L4
20	29	Buick Century Wagon	173-FI	L4
20	29	Oldsmobile Cutlass Cruiser	173-FI	L4
20	29	Pontiac 6000 Wagon	173-FI	L4
20	25	Chrysler Town & Country Wagon Turbo	135-FI	A3
20	25	Volvo 740, 760 Wagon Turbos	141-FI	M4
20	24	Volvo 240 DL, 240 GL Wagon	141-FI	A4
19	29	Buick Century Wagon	231-FI	L4
19	29	Oldsmobile Cutlass Cruiser	231-FI	L4
19	28	Chevrolet Celebrity Wagon	173-FI	M5
19	28	Pontiac 6000 Wagon	173-FI	M5
19	26	Mercury Sable Wagon V-6	182-FI	L4
19	26	Ford Taurus Wagon V-6	182-FI	L4
19	24	Eagle Renault Medallion Wagon	132--FI	A3
19	22	Peugeot 505 Station Wagon	131--FI	L4
19	22	Volvo 740, 760 Wagon Turbo	141-FI	A4
18	24	Audi 5000S Wagon	141-FI	M5
18	22	Audi 5000S Wagon	141-FI	A3
18	22	Peugeot 505 Station Wagon Turbo	131--FI	L4
18	22	Peugeot 505 Station Wagon	131--FI	M5
17	25	Audi 5000CS Quattro Wagon Turbo	136-FI	M5
17	20	Mercedes-Benz 300TE	181-FI	A4
		LARGE STATION WAGONS		
17	24	Chevrolet Caprice Wagon	307-4bc	L4
17	24	Oldsmobile Custom Cruiser	307-4bc	L4
17	24	Mercury Grand Marquis Wagon	302-FI	L4
17	24	Buick LeSabre, Electra Wagon	307-4bc	L4
17	24	Ford LTD Crown Victoria Wagon	302-FI	L4
17	24	Pontiac Safari Wagon	307-4bc	L4
		SMALL PICKUP TRUCKS		
24	30	Chevrolet S10 Pickup 2wd	151-FI	M5
24	30	GMC S15 Pickup 2wd	151-FI	M5
24	28	Ford Ranger Pickup 2wd	140-FI	M5
23	28	Dodge Ram 50 2wd	122-2bc	M5
23	28	Mitsubishi Truck 2wd	122-2bc	M5
23	27	Toyota Truck 2wd	144-2bc	M4
23	27	Toyota Truck 2wd	144-FI	M5
23	26	Dodge Ram 50 2wd	122-2bc	A4
23	26	Mitsubishi Truck 2wd	122-2bc	A4
22	27	Ford Ranger Pickup 2wd	140-FI	L4
22	27	Ford Ranger Pickup 4wd	140-FI	M5
22	26	Ford Ranger Pickup 2wd	122-•2bc	M5
22	26	Nissan Truck 2wd	146-FI	M5
22	23	Toyota Truck 2wd	144-FI	A4
21	28	Chevrolet S10 Pickup 2wd	151-FI	L4
21	28	GMC S15 Pickup 2wd	151-FI	L4
21	26	Ford Courier	133-2bc	M5
21	26	Mazda B2200, B2600	133-2bc	M5
21	25	Mazda B2200, B2600	133-2bc	M4
21	25	Toyota Truck 2wd	144-•2bc	M5
21	25	Toyota Truck 2wd	144-2bc	M5
21	24	Nissan Truck 2wd	146-FI	M4
21	23	Toyota Truck 2wd	144-•2bc	M4
20	26	Nissan Truck 2wd	146-FI	L4
20	25	Ford Courier	133-2bc	L4
20	25	Mazda B2200, B2600	133-2bc	L4
20	25	Dodge Ram 50 2wd	156-2bc	M5
20	25	Mitsubishi Truck 2wd	156-2bc	M5
20	24	Toyota Truck 2wd Turbo	144-FI	M5
20	22	Dodge Ram 50 2wd	156-2bc	A4
20	22	Mitsubishi Truck 2wd	156-2bc	A4
19	26	Chevrolet S10 Pickup 2wd	173-FI	M5
19	26	GMC S15 Pickup 2wd	173-FI	M5
19	25	Chevrolet S10 Pickup 4wd	173-FI	M4
19	25	GMC S15 Pickup 2wd	173-FI	M4
19	24	Ford Ranger Pickup 2wd	179-FI	M5
18	24	Mazda B2200, B2600	156-2bc	M5
18	23	Ford Ranger Pickup 4wd	179-FI	M5
18	22	Ford Ranger Pickup 2wd	179-FI	L4
18	21	Mazda B2200, B2600	156-2bc	L4
17	25	Nissan Truck 2wd	181-FI	L4
17	25	Chevrolet S10 Pickup 2wd	173-FI	L4
17	25	GMC S15 Pickup 2wd	173-FI	L4
17	24	Nissan Truck 2wd	181-FI	M5
17	21	Ford Courier Pickup 4wd	156-2bc	M5
17	21	Mazda B2600 4wd	156-2bc	M5
17	21	Ford Ranger Pickup 4wd	179-FI	L4
17	18	Mazda B2600 4wd	156-2bc	L3
		STANDARD PICKUP TRUCKS		
23	28	Dodge Dakota 2wd	135-2bc	M5
22	25	Jeep Comanche 2wd	150-FI	M4
22	25	Jeep Comanche 4wd	150-FI	M4
22	23	Toyota 1-Ton Truck 2wd	144-FI	A4
21	24	Jeep Comanche 2wd	150-FI	M5
21	24	Toyota Truck 4wd	144-FI	M5
20	27	Chevrolet T10 Pickup 4wd	151-FI	M5
20	27	GMC T15 Pickup 4wd	151-FI	M5
20	26	Chevrolet T10 Pickup 4wd	151-FI	L4
20	26	GMC T15 Pickup 4wd	151-FI	L4
20	23	Jeep Comanche 4wd	150-FI	M5
20	23	Chevrolet C20 Pickup 2wd Diesel	379-•FI	M4
20	23	GMC C25 Pickup 2wd Diesel	379-•FI	M4
20	22	Chevrolet C10 Pickup 2wd Diesel	379-•FI	M4
20	22	GMC C15 Pickup 2wd Diesel	379-•FI	M4
19	25	Chevrolet C10 Pickup 2wd Diesel	379-•FI	L4
19	25	GMC C15 Pickup 2wd Diesel	379-•FI	L4
19	22	Dodge Power Ram 50 4wd	156-2bc	M5
19	22	Mitsubishi Truck 4wd	156-2bc	M5
19	22	Toyota 1-Ton Truck 2wd	144-FI	M5
18	25	Chevrolet C20 Pickup 2wd Diesel	379-•FI	L4
18	25	GMC C25 Pickup 2wd Diesel	379-•FI	L4
18	24	Jeep Comanche 2wd	150-FI	L4
18	24	Jeep Comanche 2wd	242-FI	M5
18	24	Chevrolet T10 Pickup 4wd	173-FI	M5
18	24	GMC T15 Pickup 4wd	173-FI	M5
18	23	Jeep Comanche 4wd	150-FI	L4
18	23	Jeep Comanche 4wd	242-FI	M5
18	23	Chevrolet T10 Pickup 4wd	173-FI	M4
18	23	GMC T15 Pickup 4wd	173-FI	M4
18	21	Toyota Truck 4wd	144-FI	L4
18	19	Dodge Power Ram 50 4wd	156-2bc	A4
18	19	Mitsubishi Truck 4wd	156-2bc	A4
18	18	Chevrolet K10 Pickup 4wd Diesel	379-•FI	M4C
18	18	GMC K15 Pickup 4wd Diesel	379-•FI	M4C
18	18	Chevrolet K20 Pickup 4wd Diesel	379-•FI	M4
18	18	GMC K25 Pickup 4wd Diesel	379-•FI	M4
17	24	Chevrolet T10 Pickup 4wd	173-FI	L4
17	24	GMC T15 Pickup 4wd	173-FI	L4
17	23	Chevrolet C10 Pickup 2wd	262-FI	M5
17	23	GMC C15 Pickup 2wd	262-FI	M5
17	23	Chevrolet C20 Pickup 2wd	262-FI	M5
17	23	GMC C25 Pickup 2wd	262-FI	M5
17	23	Dodge Dakota 4wd	239-FI	M5
17	22	Chevrolet C10 Pickup 2wd	262-FI	L4
17	22	Chevrolet C10 Pickup 2wd	262-FI	M4
17	22	GMC C15 Pickup 2wd	262-FI	L4
17	22	GMC C15 Pickup 2wd	262-FI	M4
17	22	Dodge Dakota 2wd	239-FI	M5
17	22	Chevrolet K10 Pickup 4wd Diesel	379-•FI	L4
17	22	GMC K15 Pickup 4wd Diesel	379-•FI	L4
17	22	Chevrolet K20 Pickup 4wd Diesel	379-•FI	L4
17	22	GMC K25 Pickup 4wd Diesel	379-•FI	L4
17	21	Nissan Truck 4wd	146-FI	M5
17	20	Chevrolet C10 Pickup 2wd	262-FI	M4
17	20	GMC C15 Pickup 2wd	262-FI	M4
17	20	Dodge Dakota 2wd	239-FI	L3
17	19	Chevrolet C10 Pickup 2wd	262-FI	A3
17	19	GMC C15 Pickup 2wd	262-FI	A3
17	19	Chevrolet C20 Pickup 2wd	262-FI	A3
17	19	GMC C25 Pickup 2wd	262-FI	A3
16	22	Chevrolet C20 Pickup 2wd	262-FI	L4
16	22	GMC C25 Pickup 2wd	262-FI	L4
16	21	Jeep Comanche 4wd	242-FI	L4
16	21	Jeep Comanche 4wd	242-FI	L4
16	20	Chevrolet K10 Pickup 4wd	262-FI	M5
16	20	GMC K15 Pickup 4wd	262-FI	M5
16	20	Chevrolet K20 Pickup 4wd	262-FI	M5
16	20	GMC K25 Pickup 4wd	262-FI	M5
16	20	Ford F150 Pickup 2wd	300-FI	L4
16	20	Ford F150 Pickup 2wd	300-FI	M5
16	20	Chevrolet K10 Pickup 4wd	262-FI	L4
16	20	GMC K15 Pickup 4wd	262-FI	L4
16	19	Jeep J-10 Std. Pickup 4wd	258-2bc	M4
16	19	Chevrolet K20 Pickup 4wd	262-FI	L4
16	19	GMC K25 Pickup 4wd	262-FI	L4
16	18	F150 Pickup 2wd	300-FI	A3
16	18	Chevrolet K10 Pickup 4wd	262-FI	M4
16	18	GMC K15 Pickup 4wd	262-FI	M4
16	18	Chevrolet K20 Pickup 4wd	262-FI	M4
16	18	GMC K25 Pickup 4wd	262-FI	M4
16	18	Chevrolet C20 Pickup 2wd	262-FI	M4
16	18	GMC Pickup 2wd	262-FI	M4
15	21	Chevrolet C10 Pickup 2wd	305-FI	L4
15	21	Chevrolet C10 Pickup 2wd	305-FI	M5
15	21	GMC C15 Pickup 2wd	305-FI	L4
15	21	GMC C15 Pickup 2wd	305-FI	L4
15	20	Chevrolet C10 Pickup 2wd	350-FI	M5
15	20	GMC C15 Pickup 2wd	350-FI	L4
15	19	Dodge Dakota 4wd	239-FI	L3
15	19	Ford F150 Pickup 2wd	300-FI	C5
15	19	Ford F150 Pickup 4wd	300-FI	M5
15	19	Nissan Truck 4wd	181-FI	M5
15	18	Ford F150 Pickup 4wd	300-FI	C5
15	18	Ford F250 Pickup 4wd	300-FI	C5
15	18	Dodge D100, D150 Pickup 2wd	239-FI	L3
15	18	Dodge D250 Pickup 2wd	239-FI	L3
15	18	Ford F250 Pickup 2wd	300-FI	C5
15	17	Chevrolet C10 Pickup 2wd	305-FI	A3
15	17	GMC C15 Pickup 2wd	305-FI	A3
15	17	Dodge D250 Pickup 2wd	239-FI	M4
15	17	Ford F250 Pickup 2wd	300-FI	A3
15	17	Chevrolet K10 Pickup 4wd	262-FI	A3
15	17	GMC K25 Pickup 4wd	262-FI	A3
15	17	Chevrolet K20 Pickup 4wd	262-FI	A3
15	17	GMC K25 Pickup 4wd	262-FI	A3
15	17	Nissan Truck 4wd	181-FI	L4
15	16	Ford F150 Pickup 4wd	300-FI	A3
14	20	Chevrolet C20 Pickup 2wd	305-FI	L4
14	20	Chevrolet C20 Pickup 2wd	305-FI	M5
14	20	GMC C25 Pickup 2wd	305-FI	L4
14	20	GMC C25 Pickup 2wd	305-FI	M5
14	19	Chevrolet C20 Pickup 2wd	350-FI	L4
14	19	GMC C25 Pickup 2wd	350-FI	L4
14	18	Ford F150 Pickup 2wd	302-FI	L4
14	18	Ford F150 Pickup 2wd	302-FI	M5
14	18	Ford F250 Pickup 2wd	302-FI	M5
14	18	Ford F250 Pickup 2wd	302-FI	L4
14	17	Dodge D100, D150 Pickup 2wd	318-FI	L3
14	17	Ford F150 Pickup 4wd	302-FI	L4
14	17	Ford F250 Pickup 4wd	300-FI	M5
14	17	Chevrolet K10 Pickup 4wd	305-FI	L4
14	17	GMC K15 Pickup 4wd	305-FI	L4
14	16	Chevrolet C10 Pickup 2wd	350-FI	M4
14	16	GMC C15 Pickup 2wd	350-FI	M4
14	16	Chevrolet C20 Pickup 2wd	305-FI	A3
14	16	Chevrolet C20 Pickup 2wd	350-FI	M4
14	16	GMC C25 Pickup 2wd	305-FI	A3
14	16	GMC C25 Pickup 2wd	350-FI	M4
14	15	Ford F150 Pickup 2wd	302-FI	A3
13	19	Chevrolet C10 Pickup 2wd	350-FI	M5
13	19	GMC C15 Pickup 2wd	350-FI	M5
13	19	Chevrolet C20 Pickup 2wd	350-FI	M5
13	19	GMC C25 Pickup 2wd	350-FI	M5
13	19	Dodge D100, D150 Pickup 2wd	239-FI	M5
13	18	Chevrolet K20 Pickup 4wd	350-FI	L4
13	18	GMC K25 Pickup 4wd	350-FI	L4
13	17	Ford F150 Pickup 4wd	302-FI	M5
13	17	Ford F250 Pickup 4wd	302-FI	L4
13	17	Chevrolet K10 Pickup 4wd	350-FI	L4
13	17	Chevrolet K10 Pickup 4wd	350-FI	M5
13	17	Chevrolet K10 Pickup 4wd	350-FI	M5
13	17	GMC K15 Pickup 4wd	350-FI	L4
13	17	GMC K15 Pickup 4wd	350-FI	M4
13	17	GMC K15 Pickup 4wd	305-FI	M5
13	17	GMC K15 Pickup 4wd	305-FI	L4
13	17	Chevrolet K20 Pickup 4wd	305-FI	M5
13	17	Chevrolet K20 Pickup 4wd	305-FI	L4
13	17	GMC K25 Pickup 4wd	305-FI	L4
13	17	GMC K25 Pickup 4wd	305-FI	M5
13	16	Ford F250 Pickup 4wd	302-FI	M5
13	15	Chevrolet K10 Pickup 4wd	350-FI	M4
13	15	GMC K15 Pickup 4wd	350-FI	M4
13	15	Chevrolet K20 Pickup 4wd	350-FI	M4
13	15	GMC K25 Pickup 4wd	350-FI	M4
13	14	Dodge D100, D150 Pickup 2wd	318-FI	A3
13	14	Dodge D250 Pickup 2wd	318-FI	A3
13	14	Chevrolet K10 Pickup 4wd	305-FI	A3
13	14	GMC K15 Pickup 4wd	305-FI	A3
13	14	Chevrolet K20 Pickup 4wd	305-FI	A3
13	14	GMC K25 Pickup 4wd	305-FI	A3
13	14	Dodge W100, W150 Pickup 4wd	318-FI	A3
13	13	Ford F150 Pickup 4wd	302-FI	A3
12	16	Dodge D250 Pickup 2wd	318-FI	M4
12	16	Chevrolet K20 Pickup 4wd	350-FI	M5
12	16	GMC K25 Pickup 4wd	350-FI	M5
12	16	Dodge D100, D150 Pickup 2wd	318-FI	M4
12	15	Dodge W100, W150 Pickup 4wd	318-FI	M4
12	15	Dodge W250 Pickup 4wd	318-FI	M4
12	14	Ford F150 Pickup 2wd	351-FI	A3
12	14	Ford F150 Pickup 4wd	351-FI	A3
12	14	Ford F250 Pickup 2wd	351-FI	A3
12	14	Dodge W250 Pickup 4wd	318-FI	A3
11	14	Dodge D100, D150 Pickup 2wd	360-•4bc	M4
11	14	Dodge D250 Pickup 2wd	360-•4bc	M4
11	14	Ford F250 Pickup 4wd	351FI	A3
11	13	Dodge D100, D150 Pickup 2wd	360-•4bc	A3
11	13	Dodge D250 Pickup 2wd	360-•4bc	A3
11	13	Jeep J-10 Std. Pickup 4wd	360-•2bc	A3
11	13	Jeep J-20 Std. Pickup 4wd	360-•2bc	A3
11	12	Dodge W100, W150 Pickup 4wd	360-•4bc	M4
11	12	Dodge W250 Pickup 4wd	360-•4bc	M4
9	11	Dodge W100, W150 Pickup 4wd	360-•4bc	A3
9	11	Dodge W250 Pickup 4wd	360-•4bc	A3
		VANS		
22	28	Chevrolet Astro 2wd (Cargo)	151-FI	M5
22	28	GMC Safari 2wd (Cargo)	151-FI	M5
22	23	Toyota Van 2wd (Cargo)	137-FI	M5
22	23	Toyota Van 2wd (Passenger)	137-FI	M5
21	23	Toyota Van 2wd (Cargo)	137-FI	L4
21	23	Toyota Van 2wd (Passenger)	137-FI	L4
20	25	Chevrolet Astro 2wd (Cargo)	151-FI	L4
20	25	GMC Safari 2wd (Cargo)	151-FI	L4
20	24	Chevrolet G10-20 Van 2wd Diesel	379-•FI	M4
20	24	GMC G15-25 Vandura 2wd Diesel	379-•FI	M4
20	22	Toyota Van 4wd (Cargo)	137-FI	M5
20	22	Toyota Van 4wd (Passenger)	137-FI	M5
19	22	Mitsubishi Van	143-FI	L4
19	21	Toyota Van 4wd (Cargo)	137-FI	L4
19	21	Toyota Van 4wd (Passenger)	137-FI	L4
18	24	Ford Aerostar Van	183-FI	M5
18	23	Chevrolet G10-20 Van 2wd Diesel	379-•FI	L4
18	23	GMC G15-25 Vandura 2wd Diesel	379-•FI	L4
18	22	Nissan Van (Cargo)	146-FI	M5
18	22	Nissan Van (Passenger)	146-FI	M5
18	21	Chevrolet G10-20 Sportvan 2wd Diesel	379-•FI	M4
18	21	GMC G15-25 Rally 2wd Diesel	379-•FI	M4
18	21	Nissan Van (Cargo)	146-FI	L4
18	21	Nissan Van (Passenger)	146-FI	L4
18	21	Mitsubishi Wagon	143-FI	L4
17	23	Chevrolet Astro 2wd (Cargo)	262-FI	M5
17	23	GMC Safari 2wd (Cargo)	262-FI	M5
17	23	Ford Aerostar Van	183-FI	L4
17	23	Chevrolet Astro 2wd (Passenger)	262-FI	M5
17	23	GMC Safari 2wd (Passenger)	262-FI	M5
17	22	Ford Aerostar Wagon	183-FI	L4
17	22	Chevrolet Astro 2wd (Cargo)	262-FI	L4
17	22	Chevrolet Astro 2wd (Passenger)	262-FI	L4
17	22	GMC Safari 2wd (Cargo)	262-FI	L4
17	22	GMC Safari 2wd (Passenger)	262-FI	L4
17	19	Chevrolet G10-20 Van 2wd	262-FI	A3
17	19	GMC G15-25 Vandura 2wd	262-FI	A3
16	23	Ford Aerostar Wagon	183-FI	M5
16	23	Chevrolet G10-20 Sportvan 2wd Diesel	379-•FI	L4
16	23	GMC G15-25 Rally 2wd Diesel	379-•FI	L4
16	21	Chevrolet G10-20 Van 2wd	262-FI	L4
16	21	GMC G15-25 Vandura 2wd	262-FI	L4
16	20	Chevrolet G10-20 Sportvan 2wd	262-FI	L4
16	20	GMC G15-25 Rally 2wd	262-FI	L4
16	20	Chevrolet G30 Van 2wd	262-FI	L4
16	20	GMC G35 Vandura 2wd	262-FI	L4
16	19	Chevrolet G10-25 Van 2wd	262-FI	M4
16	19	GMC G15-25 Vandura 2wd	262-FI	M4
16	18	Volkswagen Vanagon 2wd	129-FI	M4
15	20	Chevrolet G10-20 Van 2wd	305-FI	L4
15	20	GMC G15-25 Vandura 2wd	305-FI	L4
15	20	Chevrolet G10-20 Van 2wd	305-FI	L4
15	20	GMC G15-25 Vandura 2wd	350-FI	L4
15	19	Ford E150 Econoline 2wd	300-FI	L4
15	18	Dodge B150, B250 Van 2wd	239-FI	L3
15	18	Dodge B150, B250 Wagon 2wd	239-FI	L3
15	18	Ford E150 Econoline 2wd	300-FI	M5
15	18	Chevrolet G10-20 Sportvan 2wd	262-FI	M4
15	18	GMC G15-25 Rally 2wd	262-FI	M4
15	17	Gord E150 Econoline 2wd	300-FI	A3
15	17	Chevrolet G10-20 Van 2wd	305-FI	A3
15	17	GMC G15-25 Vandura 2wd	305-FI	A3
15	15	Volkswagen Vanagon Syncro 4wd	129-FI	C5
14	17	Chevrolet G10-20 Van 2wd	305-FI	M4
14	17	GMC G15-25 Vandura 2wd	305-FI	M4
14	17	Dodge B150, B250 Van 2wd	318-FI	L3
14	17	Dodge B150, B250 Wagon 2wd	318-FI	L3
14	17	Ford E150 Club Wagon	300-FI	L4
14	16	Volkswagen Vanagon 2wd	129-FI	A3
14	15	Ford E150 Club Wagon	300-FI	A3
14	15	Ford E250 Econoline 2wd	300-FI	A3
13	19	Dodge B150, B250 Van 2wd	239-FI	M5
13	18	Dodge B150, B250 Wagon 2wd	239-FI	M5
13	18	Chevrolet G30 Sportvan 2wd	350-FI	L4
13	18	GMC G35 Rally 2wd	350-FI	L4
13	17	Ford E150 Club Wagon	302-FI	L4
13	17	Ford E150 Econoline 2wd	302-FI	L4
13	17	Ford E250 Econoline 2wd	302-FI	L4
13	17	Chevrolet G10-20 Sportvan 2wd	350-FI	L4
13	17	GMC G15-25 Rally 2wd	350-FI	L4
13	16	Chevrolet G10-20 Sportvan 2wd	305-FI	L4
13	16	GMC G15-25 Rally 2wd	305-FI	L4
13	14	Dodge B150, B250 Van 2wd	318-FI	A3
13	14	Dodge B350 Van 2wd	318-FI	A3
12	13	Dodge B150, B250 Wagon 2wd	318-FI	A3
12	13	Dodge B350 Wagon 2wd	318-FI	A3
11	14	Ford E150 Econoline 2wd	351-FI	A3
11	13	Dodge B150, B250 Van 2wd	360-•4bc	A3
11	13	Dodge B350 Van 2wd	360-•4bc	A3
11	13	Ford E150 Club Wagon	351-FI	A3
11	13	Ford E250 Econoline 2wd	351-FI	A3
11	13	Dodge B150, B250 Wagon 2wd	360-•4bc	A3
10	11	Dodge B350 Wagon 2wd	360-•4bc	A3
		SPECIAL PURPOSE VEHICLES		
30	35	Subaru Justy 4wd	73-2bc	M5
28	29	Suzuki Samurai Convertible	81-2bc	M5
28	29	Suzuki Samurai Hardtop	81-2bc	M5
25	29	Subaru Hatchback 4wd	109-2bc	M4
24	29	Subaru 3-dr. Sedan 4wd	109--FI	M5
24	29	Subaru Wagon 4wd	109--FI	M5
23	24	Subaru 3-dr. Sedan 4wd	109--FI	A3
23	23	Subaru Wagon 4wd	109--FI	A3
22	28	Chevrolet S10 Blazer 2wd	151-FI	M5
22	28	GMC S15 Jimmy 2wd	151-FI	M5
22	26	Jeep Cherokee 2wd	150-FI	M4
22	25	Jeep Cherokee, Wagoneer 4wd	150-FI	M4
21	28	Dodge Caravan, Ram Van 2wd	152-FI	M5
21	28	Plymouth Voyager 2wd	152-FI	M5
21	27	Dodge Colt Vista 4wd	122-FI	M5
21	27	Plymouth Colt Vista 4wd	122-FI	M5
21	24	Jeep Cherokee 2wd	150-FI	M5
20	25	Chevrolet S10 Blazer 2wd	151-FI	L4
20	25	GMC S13 Jimmy 2wd	151-FI	L4
20	23	Dodge Caravan, Ram Van 2wd	152-FI	A3
20	23	Plymouth Voyager 2wd	152-FI	A3
20	23	Jeep Cherokee, Wagoneer 4wd	150-FI	M5
20	23	Nissan Stanza Wagon 4wd	120-FI	M5
19	24	Ford Bronco II 2wd	179-FI	M5
19	22	Toyota 4Runner 4wd	144-FI	M5
19	21	Nissan Stanza Wagon 4wd	120-FI	L4
18	25	Chevrolet S10 Blazer 2wd	173-FI	M5
18	25	GMC S15 Jimmy 2wd	173-FI	M5
18	24	Jeep Cherokee 2wd	150-FI	L4
18	24	Jeep Cherokee 2wd	242-FI	M5
18	23	Ford Bronco II 4wd	179-FI	M5
18	23	Dodge Caravan, Ram Van 2wd	181-FI	L3
18	23	Jeep Cherokee, Wagoneer 4wd	150-FI	L4
18	23	Jeep Cherokee, Wagoneer 4wd	242-FI	M5
18	23	Chevrolet S10 Blazer 2wd	173-FI	M4
18	23	GMC S15 Jimmy 2wd	173-FI	M4
18	23	Chrysler Town & Country	181-FI	L3
18	23	Plymouth Voyager 2wd	181-FI	L3
18	20	Grumman Allied LLV	151-FI	L3
18	20	Jeep Wrangler 4wd	150-FI	M5
17	24	Chevrolet S10

AUCTION DATES

American Motors

Oct. 6 — D-A Auto Auction, New Stanton, Pa.

Oct. 7 — Minneapolis Auto Auction, Plymouth, Minn.; Kansas City Auto Auction, Kansas City, Mo.; and Northeast Auto Dealers, Newburgh, N.Y.

Oct. 8 — Greater Chicago Auto Auction, Chicago, and Evansville Auto Auction, Evansville, Ind.

Oct. 9 — St. Louis Auto Auction, St. Louis

Oct. 13 — Aptco Auto Auction, Taylor, Mich., and Statesville Auto Auction, Statesville, N.C.

Oct. 14 — Columbus Auto Auction, Columbus, Ohio

Oct. 15 — Corry Auto Auction, Corry, Pa.

Chrysler Corp.

Oct. 6 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; NuCarPrep System, Santa Fe Springs, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Oct. 7 — A.D.E. of Birmingham, Birmingham, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Oct. 8 — Fredericksburg Auto Auction, Fredericksburg, Va.

Oct. 9 — St. Louis Auto Auction, St. Louis

Oct. 13 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Oct. 14 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Oct. 15 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

Oct. 6 — Harrisonburg Auto Auction, Harrisonburg, Va.

Oct. 7 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

Oct. 14 — Atlanta Auto Auction, Red Oak, Ga., and Concord Auto Auction, Acton, Mass.

Oct. 15 — Dallas Auto Auction, Grand Prairie, Texas; Baltimore-Washington Auto Exchange, Baltimore; Southwest Auto Auction, Phoenix, Ariz.; Bay Cities Auto Auction Inc., Hayward, Calif.; and 166 Auto Auction, Springfield, Mo.

Oct. 21 — Columbus Fair Auto Auction, Obetz, Ohio; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City

Oct. 22 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; and Skyline Auto Exchange, Fairfield, N.J.

Oct. 27 — South Seattle Auto Auction, Kent, Wash.

General Motors

Oct. 6 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas

Oct. 7 — Atlanta Auto Auction, Atlanta, Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Oct. 8 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Oct. 13 — Florida Auto Auction of Orlando, Ocoee, Fla.

Oct. 14 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Oct. 15 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Oct. 20 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Oct. 21 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Omaha Auto Auction, Omaha, Neb.

Oct. 22 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Oct. 27 — Harrisonburg Auto Auction, Harrisonburg, Va.

Oct. 28 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

Sept., 1987	$6,043
Month ago	$6,065
Year ago	$5,206

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,357	$11,726	$11,512
1986	$8,808	$8,934	$9,032
1985	$7,321	$7,385	$7,394
1984	$5,764	$5,754	$5,756
1983	$4,940	$5,016	$5,081
1982	$3,607	$3,648	$3,684
1981	$2,583	$2,632	$2,642
1980	$2,044	$2,072	$2,068
Overall Average	$6,043	$6,070	$6,030

AUCTION DIRECTORY

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Texan sentenced for role in Missouri odometer case

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

ST. LOUIS — A 53-year-old Dallas businessman was sentenced to three years in prison and ordered to pay restitution to 480 persons victimized in the 166 Auto Auction odometer-rollback scandal.

Lee R. Spradling pleaded guilty to one count of conspiracy to commit odometer fraud in U.S. District Court for the Western District in St. Louis. Maximum penalty is five years in jail and a fine of $10,000.

U.S. District Court Judge George F. Gunn Jr. ordered Spradling to pay $60,000 in restitution to the victims within five years.

Spradling conducted business as Texas Suburban, a company purchasing late-model, high-mileage lease vehicles.

All vehicles, whether obtained through the auction or other markets, were purchased with funds provided by the 166 Auto Auction, said U.S. attorneys.

After Texas Suburban purchased the vehicles, Spradling ordered auction employees to reset mileages, according to the indictment.

Then the company resold the vehicles through the auction after obtaining new titles from Oklahoma in the names of a variety of bogus companies, said U.S. attorneys.

Between 1981-83, according to the federal indictment, financial paperwork for all of the vehicles bought and sold by Texas Suburban went through the 166 Auto Auction.

Federal officials said more than 3.5 million miles were erased from autos involved in the scam.

In other action, R. Joe Kellhofer, 42, of Springfield, Mo., was indicted by a federal grand jury two weeks ago and charged with transporting a forged car title — a felony — and misdemeanor charges of odometer fraud and making false odometer statements.

Kellhofer, an auction employee and used-car salesman, allegedly tried to sell a car with a false title and a rolled-back odometer in the fall of 1982.

Melvin Reid, the owner of 166 Auction, pleaded guilty in August in U.S. District Court in the Western District of Missouri to six counts of odometer fraud on behalf of the auction. The company was fined $300,000 and told to establish a trust fund of $300,000 to reimburse victims.

Reid was not charged in the indictment. "A corporation cannot go to jail so the owner was permitted to plead guilty for the auction to specific charges of odometer fraud," said federal officials.

Two 166 Auction employees and a businessman who used the auction as a business address also pleaded guilty to charges of conspiracy to commit odometer fraud and are expected to be sentenced within the next few weeks, said federal officials.

Special Correspondent Jack Bernstein in St. Louis contributed to this report.

Eaton, GTE team to develop ceramic engine parts

CLEVELAND — Eaton Corp. and GTE Corp. are joining forces to develop engine components made of ceramics.

The companies said they foresee a substantial market developing for such components. It is expected that the work will lead to a joint venture, the companies said.

GTE Laboratories, Waltham, Mass., last year announced development of a silicon nitride ceramic composite it said could "deliver a significant advantage in the evolution of high-quality, durable ceramic components."

Development work will be done at Waltham and at Eaton's Corporate Research and Development Center in Southfield, Mich.

The companies declined to disclose how much money will be invested in the development project.

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PRICES

FROM PAGE 1

ticket features as automatic transmission on models like the J-cars that do not have it as standard equipment and air conditioning.

GM claims that the "typically equipped" 1988 A and J models are priced lower than their 1987 counterparts.

The Buick Skyhawk is an extreme example of how the new pricing strategy works. The 1988 base price on the Buick Skyhawk coupe is $8,884, compared with a 1987 base price of $8,522. However, the 1988 price includes more than $1,000 worth of items that were options in 1987 and are now standard equipment. Included are power steering and AM/FM stereo radio.

In addition, a "typical" Skyhawk buyer would pay $10,221, or $1,000 less in 1988 than in 1987, by ordering air conditioning and the automatic transmission option package, which also includes cruise control, tilt steering wheel and a cassette/radio.

The savings are less pronounced on other A-cars and J-cars.

GM dealers contacted by Automotive News praised the automaker for adopting the approach — long used by the Japanese — of putting more standard equipment on some of its cars. Dealers said that if it works for Honda, it should work for GM. They added that they seldom order stripped models; they load cars with the equipment customers usually order.

However, dealers blasted the corporation for increasing prices at a time when GM is losing market share and GM dealers are struggling for sales and profits.

A California dealer called the price hike "a damn poor move." He added, "GM is taking advantage of the depreciation of the dollar to whip the consumer in the marketplace."

GM claims that prices of its entire fleet of 1988 cars rose an average of 1.9 percent because of the lower prices on comparably equipped models. Automotive News estimates the 1.9 percent is $275. The increases on some cars, particularly GM's most popular models, are sharply higher than 1.9 percent.

GM President Robert Stempel said the prices are tentative, depending on the outcome of the contract talks with the UAW.

GM's added-equipment pricing procedure is not new, nor is this the first time GM has tried it. GM did it in 1981 when it introduced the first of its J-cars — the Chevrolet Cavalier and Pontiac J2000 (now Sunbird).

It didn't work for GM then. GM priced those models way out of line with what the market would take. It added equipment but it put that equipment on the cars at full retail prices without the discounts now being offered. Buyers were turned off, and the J-cars got off to a miserable start. Adjustments later put the J-cars on a faster track.

Chrysler Motors didn't make GM's mistakes when it developed the Omni/Horizon America concept in 1986. The America models were considerably lower priced than the Omni/Horizon units they replaced. Chrysler trimmed the list of options available, put them in packages and simplified the manufacturing process, thereby cutting costs, a savings passed along to the customer. Chrysler is doing the same with its Aries/Reliant America models for 1988.

Ford Motor Co. has used the option packaging approach for several years and has had considerable success with it.

But this marks the first time GM or any other domestic automaker has used the loaded-car/option-packaging strategy on such a widespread scale. And the scale is likely to broaden if this is successful.

Stempel called the new strategy an experiment and said that customer reaction to the new plan will be closely monitored in the next three months before GM decides whether to expand it.

GM chose to focus on the A-cars and J-cars for its experiment because they are high-volume lines, accounting for more than one-third of its annual car sales, and are situated in highly competitive market segments.

The J-cars are the Chevrolet Cavalier, Pontiac Sunbird, Buick Skyhawk and Oldsmobile Firenza; the Cadillac Cimarron J-car doesn't figure in the program. The A-bodies are the Chevrolet Celebrity, Pontiac 6000, Buick Century and Oldsmobile Cutlass Ciera.

GM itself benefits most from the strategy of added standard equipment and option packages. It claims it can save money in manufacturing the cars and can pass the savings along to consumers. Stempel also says it can build better-quality cars by building the same ones over and over.

The advantage to the dealer is that the cars are easier to order. Dealers say they don't have to carry as much inventory from stripped-down to loaded models.

But there are serious pitfalls. Chief among them is the choice of equipment to be made standard or offered in the packages. If GM has chosen items that buyers can easily do without, the corporation is asking buyers to pay a price penalty for the extra goodies.

Even if the added equipment items are desirable, the new sticker price may be higher than the buyer can afford. The customer may turn to another make of car that is less-lavishly equipped.

There are no delete options in the GM plan. What you see is what you get — and what you pay for.

GM argues that it has chosen items that are ordered by at least 80 percent of the car buyers. Price analysts suggested that GM may find that 80 percent is an overly optimistic break point.

The GM program will call for a Herculean amount of promotion and extensive and explicit advertising. Dealers admit they will have to educate consumers to the benefits.

On many models, GM's base prices show some fancy increases. Without adjusting for equipment changes, a Chevrolet Caprice four-door went up $1,015; a Corvette jumped $1,481; a Buick Skylark Custom coupe climbed $727; a Cadillac Coupe DeVille rose $1,733; and the Cadillac Allante moved up $1,833.

REBATE

FROM PAGE 1

rebate on the purchase of a 1987 rear-wheel-drive Cutlass Supreme or 1988 rwd Cutlass Supreme Classic and a $500 rebate on the purchase of any 1988 or prior year Oldsmobile model. The program also offers competitive-make owners a $300 cash rebate on any 1988 Cutlass Calais or 1987 Calais.

No financing incentive or dealer participation is included in the program.

GM did not extend its cleanup incentive program on 1987 models. It expired on Sept. 30 despite Ford Motor Co.'s decision to continue rebates and low-interest financing on Ford Tempo and Mercury Topaz models until Oct. 14.

Ford Chairman Donald E. Petersen predicted last week that some form of consumer incentives would be offered by automakers throughout the 1988 model year.

Low-interest financing and rebates have been offered by all of the domestic automakers throughout the 1987 model year to prop up slow sales and reduce vehicle inventories. Even many importers — who traditionally have not needed to offer incentives to sell their cars and trucks — have resorted to the sales gimmicks this year.

In a 10-week program earlier this year, GM offered selected GM owners in four test-market areas rebates ranging from $200 to $1,500.

The rebates were offered in addition to other incentives in effect during that period. That program, called "Owners First," met with much enthusiasm from dealers and GM owners. Oldsmobile and Buick continued the program to help reduce heavy inventories of 1987 cars.

The Buick and Oldsmobile programs went nationwide on July 16 and included mailings to competitive-make owners in addition to their own owners. The Buick and Oldsmobile rebate programs were expanded to include reduced interest rates; those rates were in addition to the corporation-wide cleanup program. All GM programs expired Sept. 30.

GM would not say how many cars were sold under either of the programs; however, divisional marketing executives said the programs were effective and that they would consider similar incentive programs in the future.

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October 12, 1987

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4 hopefuls vie in hot NADA race

Candidates differ on group's policies

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The political race for first vice president of the National Automobile Dealers Association — normally a popularity contest with little emphasis on hard issues — this year has more candidates than ever and is focusing on tough national issues as well as the way in which NADA itself conducts business.

The autonomy of the NADA staff, association tactics and controversial national issues like factory franchising policies, fleet subsidies, customer-satisfaction indexes and binding arbitration are being raised in an unusually vigorous campaign that will determine the future NADA president.

One outspoken candidate, Ron Tonkin, wants to "harness the horsepower" of dealers and threatens to move to Washington to more closely control NADA's 382-person professional staff, which has grown substantially over the past few years.

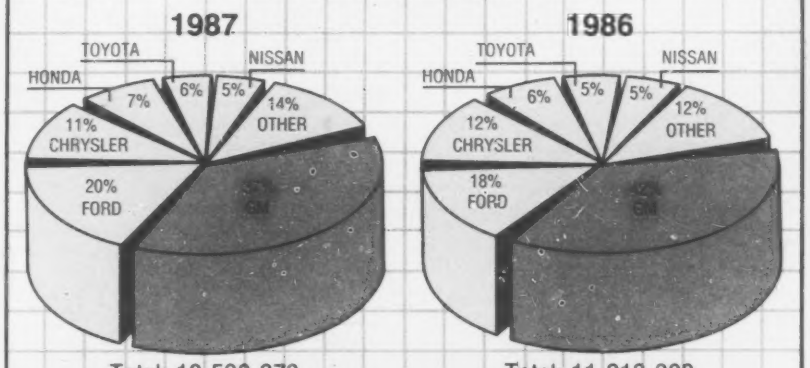
At the other end of the spectrum is Herbert Adcox, who is not likely to tamper with staff autonomy at all. And in the middle are Richard R. Smith and David A. Banks, who would be most likely to make only minor changes in the officer-staff relationship.

When NADA directors meet next week at the Ritz-Carlton Naples (Fla.) hotel to elect new officers, they will have to choose one of the four candidates for first vice president — the person who will lead the organization into the 1990s.

It is a foregone conclusion that

see NADA, page 56

MODEL YEAR SALES CAR SHARES



TOP MODELS

Escort — 394,999

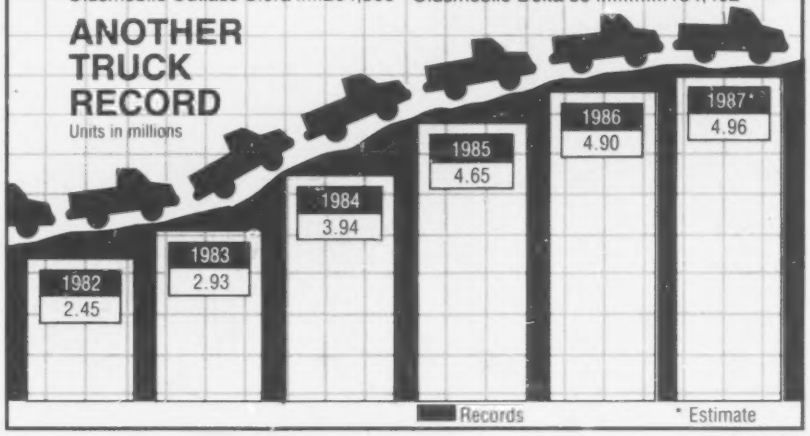
Ford F-series — 519,704

TOP DOMESTIC CARS

Ford Escort	394,999	Ford Tempo	234,663
Ford Taurus	376,907	Honda Accord	226,907
Chevrolet Celebrity	331,647	Pontiac Grand Am	216,065
Chevrolet Cavalier	295,316	Chevrolet Caprice	189,027
Oldsmobile Cutlass Ciera	264,860	Oldsmobile Delta 88	184,402

ANOTHER TRUCK RECORD

Units in millions



PATRICIA A. CHEAL

Stories, tables on Pages 38 and 39

Big 3 profits may slip 20% for quarter

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

The Big 3 automakers are expected to report combined third-quarter profits of just under $1 billion, about 20 percent less than they earned in the third quarter of 1986.

General Motors and Chrysler Corp. will have much lower profits in the third quarter compared with 1986, with GM reporting a significant operating loss, analysts predicted. Ford Motor Co. earnings are expected to be about the same as or slightly lower than earnings for the third quarter of 1986.

EARNINGS FORECAST

averages, in millions, from 9 auto analysts for GM; 10 for Ford and Chrysler

	3rd quarter 1987	3rd quarter 1986
GM	$ 100	$ 264
Ford	660	693
Chrysler	235	324
Big 3	995	1,281

GM will announce earnings the week of Oct. 19. Ford will report late that week or the following week. Chrysler's announcement will be Oct. 27.

Based on an average of forecasts by 10 auto analysts, the Big 3 will report combined earnings of about $995 million for the third quarter. That compares with $1.28 billion in the third quarter of 1986.

GM's earnings are anticipated to be about $100 million, a 60-percent drop from the $264 million earned in the year-ago third quarter. Estimates from analysts vary widely, however. Jean-Claude Gruet, of Salomon Brothers, is the only analyst who predicted that GM will report a net loss.

Earnings estimates could prove too low if GM implements a major accounting change in the quarter, but analysts expect the automaker will hold off on that change until the fourth quarter.

Analysts generally agree GM will suffer an operating loss even larger than the one in the third quarter a year ago. They estimate the operating loss will range from $200 million to $500 million.

That compares with operating losses of $339 million in the third quarter of 1986 and $21 million in the third quarter of 1985.

Analysts said this year's operating loss will be larger than last year's because of high incentive costs for the 1.9-percent financing program that yielded lower sales than the 2.9-percent model-year-closeout incentive last year. GM's sales have been lower throughout the year,

see PROFITS, page 56

NICHE: *Makers find market for cars under $6,000*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

While much of the auto industry plots its moves upscale, an invasion of under-$6,000 cars into the U.S. market this year confirms that buyers have not lost their appetite for reliable transportation at no-frills prices.

In quick succession, the Subaru Justy, Volkswagen Fox, Mitsubishi Precis, Ford Festiva and Pontiac LeMans have rolled in from offshore factories, nearly doubling the number of sub-$6,000 nameplates sold in the United States.

And largely on the strength of their price tags, they have managed to build some momentum. Though sales numbers vary widely, each car has a good shot at reaching its first-year sales target.

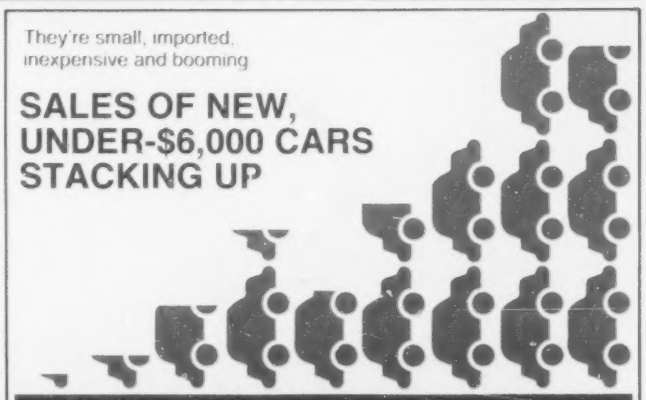
At their current pace the five models collectively could claim more than 190,000 sales in 1987 — nearly two percent of the total U.S. car market. That total can only rise next year, when each car will have 12 months of sales to tally up. In the meantime, though, other makers will be crowding the segment with entries of their own.

Analysts and company officials say a big chunk of the activity has come from would-be used-car

see NICHE, page 56

They're small, imported, inexpensive and booming

SALES OF NEW, UNDER-$6,000 CARS STACKING UP



JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
322	1,395	4,295	8,243	6,732	12,557	16,082	23,031	21,205

Sales of Ford Festiva, Mitsubishi Precis, Pontiac LeMans, Subaru Justy and VW Fox

PATRICIA A. CHEAL

Chrysler offers incentives to buyers, dealers

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors last week followed General Motors as it mailed coupons worth up to $1,000 toward the purchase of a new vehicle to 15 million owners of Chrysler cars and competitive makes.

Chrysler Motors also began dealer cash incentives on 1987 Chrysler LeBaron coupes and selected Dodge cars and truck models.

It also extended retail incentives on Plymouth Reliant and Dodge

see CHRYSLER, page 6

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Japan eyes 10% cut in '88 auto exports to U.S. Page 2
Auto leaders attend Henry Ford II memorial Page 3
Makers pleased with Canada pact Page 54

AUTOMOTIVE NEWS/JOE WILSSENS

Ford President Harold Poling, left, and UAW President Owen Bieber congratulate each other on signing an agreement

GM-UAW pact wins early praise

Even union dissidents predict membership approval

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The UAW General Motors council, made up of 300 local union leaders, is meeting in Chicago this morning to review the tentative three-year agreement with GM announced last Thursday.

Although no official details have been released, a UAW source said the pact "has no major departures from the Ford agreement."

Even union dissidents said the membership is likely to ratify the contract, despite significant vetoes from skilled tradesmen who believe new work rules will proliferate under the new pact.

However, local union leaders had not seen the contract by Friday, and more opposition could surface as details come to light.

The 50,000 workers at plants slated for closure might also present a problem to ratification, unless they are placated by a beefed-up voluntary retirement plan reportedly included in the new pact.

Tracking the Ford contract, the GM pact would guarantee the jobs of its entire workforce except workers at plants already slated for closing.

About 300,000 workers would be protected for three years against layoffs for any reasons except volume losses due to poor sales.

The tentative pact also would give GM workers a 3-percent wage increase in the first year and lump-sum bonuses of 3 percent in the second and third years. The profit sharing would track Ford's, the cost-of-living allowance formula would be maintained, and pensions would be improved.

Following Ford's lead under the new agreement, GM is expected to press for work-rule changes on a plant-by-plant basis.

The speed of contract negotiations amazed — and in some cases dismayed — industry observers. The rapid progress defied the widespread belief that an inevitable and bitter confrontation between the union and GM had been building for months.

The UAW and GM began intensive bargaining toward the pattern agreement only after the new contract with Ford was signed last Monday. Three days later, they announced a tentative settlement.

But as recently as last Tuesday, GM Chairman

see GM-UAW, page 55

UAW and GM executives celebrate reaching a tentative three-year agreement

RUSS MARSHALL

Texas dealers fight Jeep-Eagle contract

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Thirty former American Motors dealers in Texas filed a complaint with the state, charging that Chrysler's plan to terminate their franchise agreements is illegal under state law.

Meanwhile, the movement against the replacement Jeep-Eagle franchise agreement picked up further steam last week as Chrysler Motors dealers in the Washington area joined the dealer protest. Controversy has mounted since the National Automobile Dealers Association in August protested a clause in the agreement calling for mandatory binding arbitration to settle disputes between dealers and manufacturer.

NADA Executive Vice President Frank E. McCarthy said Thursday the association has requested a meeting with Chrysler and that the company indicated a willingness to meet. McCarthy said he expected the meeting to be held this week.

Members of the Automotive Trade Association, National Capital Area added their support to NADA's efforts to negotiate with Chrysler to develop a new agreement without a mandatory binding arbitration clause.

The dealers there join those of the Texas Automobile Dealers Association, which advised Jeep-Eagle dealers to seek legal counsel before signing the franchise agreement. The New Jersey Automobile Dealers Association also met with its membership to discuss the contract.

More than 30 former AMC dealers filed a protest Oct. 2 with the Texas Motor Vehicle Commission charging Chrysler has not complied with franchise termination provisions under Texas law.

More than 40 of the 69 former AMC-Jeep-Renault dealers in Texas were notified by Chrysler that their AMC franchise agreements will terminate Dec. 31, 1987, according to Gene N. Fondren, president of the Texas dealer group.

Those dealers are franchised with AMC under an agreement that says termination is possible with 30 days' notice if dealers are offered a new agreement, Fondren said. Not all AMC agreements have that clause.

However, Fondren said Texas law states that despite franchise language, a franchise agreement may not be terminated unless a dealer and the commission have been given 60 days' notice.

In addition, if a protest is filed, the manufacturer must show good cause for the termination or it will be nullified.

Fondren said the motor vehicle commission will act following a show-cause hearing.

NADA says that requiring binding arbitration in any dispute between dealer and manufacturer circumvents state laws and the protection those statutes give dealers.

"This poses a potential threat to the franchise system," said Gerard N. Murphy, president of the Washington-area dealer association. "We would like to see Chrysler go back to the drawing board on this."

NADA has said that fighting the binding arbitration clause in the Jeep-Eagle contract is imperative because it may be applied in the future on a broader basis throughout the franchise system. General Motors' Saturn Corp. has a similar binding arbitration agreement.

H.G. Savoy, Chrysler Motors dealer operations services manager, said last Thursday that Chrysler has no plans to further amend the Jeep-Eagle franchise. Chrysler in September had revised the binding arbitration clause to say that rights granted under state laws will apply in the arbitration process.

Chrysler has described mandatory binding arbitration as "by far the most equitable and cost-effective method of settling disagreements." The company also disputes allegations that the clause may violate state laws. It said the provision is covered under the federal arbitration act.

Dealers in Texas, however, were told by their dealer association's legal counsel that nothing in the contract requires arbitrators to follow state law. According to Fondren, a 1984 U.S. Supreme Court decision states that the federal arbitration act pre-empts state law.

In addition, the Texas association criticized a clause that says if a dispute is determined "non-arbitrable," Michigan law will be followed.

According to Fondren, the clause does not define "non-arbitrable." Texas dealers also object to the change of venue outside Texas, he said.

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Foreign group buys 5-point U.S. dealership

By Michelle Krebs and Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTERS

Foreign investors, who have been buying up U.S. hotels, casinos and office buildings, have widened their focus to another piece of lucrative U.S. real estate — car dealerships.

Most recently, Currie Motor Group, the U.S. division of Cursin Investment Ltd., United Kingdom, closed on the purchase of a five-point dealership located 35 miles northwest of Chicago, bringing to 14 the number of new- and used-vehicle dealerships owned by the British firm.

Currie Motor Group purchased Heritage Auto Village in Elgin, Ill., for an undisclosed amount. The deal included five stores on the nearly 10-acre complex. Mike McGrath, Heritage owner, retained a Chrysler-Plymouth outlet. The locations that were sold handle Pontiac, GMC Truck, Mazda, Lincoln-Mercury and Subaru.

Cursin Investment owns several dealerships in the United Kingdom, and Currie Motor Group acquired its first U.S. dealership — a Chrysler-Plymouth franchise — in 1981.

It has been building a small empire ever since and plans to expand even more. Saul Rosen, vice president of operations for the Currie Motor Group, said that restrictive franchising rules in the United Kingdom forced the firm to grow offshore. He said the United States, being the largest and richest vehicle market in the world, was the obvious choice.

The choice is obvious to other foreign investors, as well. Industry observers say the trend toward foreign ownership in U.S. dealerships has barely begun. Investors from Japan and other Pacific Rim nations as well as Europe have landed on U.S. shores recently and are actively shopping for dealerships.

The interest in U.S. dealerships is heightened by currency exchange rates that make the United States more attractive for investment than their homelands.

Lex Service PLC, also of the United Kingdom, announced earlier this year that it planned to enter the U.S. car market through acquisition of a U.S. megadealer and expand from there.

Lex is a $1.8 billion publicly held British automotive and electronics group and one of the largest car retailers in the world. The company, which has established its U.S. beachhead in San Francisco, has said it is interested in buying a multi-point dealership with sales of $100 million to $150 million. It then plans to build a U.S. network with volume of at least $500 million, which would make it one of the biggest dealer groups in the country.

David Beck, president of Lex North America Automotive Inc., said the firm is actively looking for a dealership, but no timeframe has been set for such an acquisition.

James Jones, executive director of Action Brokers & Management Consultants in California, said he has put together one deal involving foreign investors and is working with investors from Japan, Germany and England interested in purchasing dealerships. He declined to reveal the identities of his clients.

see DEALERSHIPS, page 55

DOMESTIC CAR SALES

	Sept. 21, to Sept. 30, 1987	Same Period, 1986	Sept. 1987	Same Month, 1986	Jan. 1 to Sept. 30, 1987	Same Period, 1986
Alliance	913	4,195	1,913	10,147	20,583	51,354
Eagle	145	354	245	968	3,045	5,717
Total Eagle	1,058	4,549	2,158	11,115	23,628	57,071
Horizon	196	3,585	531	9,800	38,803	85,332
Sundance	2,332	1,357	5,643	2,904	60,438	5,698
Turismo	521	2,149	1,259	7,500	15,889	38,723
Reliant	4,898	4,057	10,872	11,515	74,866	99,088
Caravelle	1,350	1,516	2,937	4,418	28,571	29,843
Gran Fury	301	796	618	2,064	5,951	13,602
Total Plymouth	9,598	13,460	21,860	38,201	224,538	272,286
Laser	0	994	0	3,766	4,308	24,029
LeBaron K	1,679	2,719	4,110	10,615	45,096	76,923
LeBaron J	5,074	0	10,596	0	59,773	0
LeBaron GTS	1,143	3,204	2,360	9,808	25,380	53,770
Fifth Avenue	3,049	4,868	6,964	15,224	39,623	85,114
New Yorker C	89	0	95	0	95	0
New Yorker E	1,701	2,390	4,218	7,979	43,288	44,645
Total Chrysler	12,735	14,165	28,363	47,395	217,563	286,481
Omni	238	3,233	541	9,499	31,339	74,801
Shadow	2,433	1,020	5,777	2,408	60,540	5,101
Charger	454	2,531	1,164	8,528	17,065	42,540
Daytona	2,024	1,089	4,466	4,515	29,487	32,190
Aries	4,034	3,883	9,729	10,449	70,693	77,583
Lancer	641	2,140	1,480	6,867	19,052	38,900
Diplomat	458	1,916	1,076	5,283	9,380	27,155
Dynasty	33	0	33	0	33	0
Dodge 600	1,192	2,252	2,620	7,306	27,460	50,469
Total Dodge	11,507	18,064	26,886	54,855	265,049	348,739
CHRYSLER MOTORS	34,898	50,238	79,267	151,566	730,778	964,577
Escort	19,721	12,377	41,188	47,488	205,640	312,822
Mustang	5,720	5,168	12,557	17,412	135,632	139,939
Tempo	4,295	7,817	11,015	30,584	171,444	202,163
Taurus	17,395	8,561	35,557	23,529	274,561	161,104
Thunderbird	6,023	4,643	13,955	18,929	102,629	116,575
LTD	0	893	0	1,301	0	23,587
Crown Victoria	4,347	3,530	8,851	10,374	91,583	99,951
Total Ford Div.	57,501	42,989	123,123	149,617	1,081,489	1,056,141
Lynx	3,567	2,353	8,125	8,595	54,377	52,734
Topaz	1,485	1,782	3,659	6,432	50,419	50,196
Sable	4,786	3,352	11,126	8,672	78,934	68,133
Cougar	5,098	3,969	11,375	16,405	88,564	101,354
Capri	0	434	0	1,726	0	10,689
Marquis	0	370	0	619	0	10,180
Grand Marquis	3,887	3,532	8,875	10,363	86,386	89,042
Total Mercury	18,823	15,792	43,160	52,812	361,190	382,328
Continental	234	729	618	1,781	10,134	14,229
Lincoln	5,053	5,401	11,749	13,002	92,357	89,447
Mark VII	995	975	2,427	2,397	20,224	15,911
Total Lincoln	6,282	7,105	14,794	17,180	122,715	119,587
Total L-M Division	25,105	22,897	57,954	69,992	483,905	501,915
FORD MOTOR CO.	82,606	65,886	181,077	219,609	1,565,394	1,558,056
Skyhawk	1,902	2,181	3,946	10,356	29,928	80,403
Skylark/Somerset	3,025	2,411	6,579	11,067	55,927	93,122
Century	10,730	6,347	19,304	28,452	120,007	188,781
Regal	1,841	2,137	4,077	8,823	39,865	63,804
LeSabre	6,917	3,612	14,928	15,051	112,698	91,946
Electra	4,157	2,647	8,497	9,595	60,005	85,065
Riviera	390	1,053	947	4,035	13,845	17,299
Total Buick	28,962	20,388	58,278	87,439	432,275	600,420
Cimarron	488	1,041	1,130	3,846	10,503	19,287
Allante	38	0	107	0	1,651	0
Seville	421	1,374	1,023	3,862	15,862	14,708
Cadillac	8,313	9,038	19,299	29,160	154,256	181,221
Eldorado	650	1,300	1,401	4,339	15,258	18,937
Total Cadillac	9,910	12,753	22,960	41,207	197,530	234,153
Chevette	103	1,866	277	6,192	16,622	51,940
Nova	5,152	6,548	12,582	34,594	121,547	151,390
Cavalier	9,196	8,856	21,225	35,788	235,634	297,438
Citation	0	0	0	0	0	1,025
Camaro	3,522	4,079	8,761	16,036	98,422	138,865
Celebrity	10,445	8,487	21,044	39,137	240,829	316,129
Corsica/Beretta	13,984	0	31,548	0	166,178	0
Monte Carlo	1,952	3,830	4,701	16,970	48,440	91,215
Chevrolet	6,843	6,577	16,930	22,046	140,304	177,409
Corvette	580	932	1,411	2,975	18,463	26,224
Total Chevrolet	51,777	40,975	116,579	173,738	1,086,439	1,253,634
Firenza	1,031	996	1,998	4,066	13,402	28,995
Calais	3,712	2,532	8,176	10,820	82,850	95,358
Cutlass Ciera	11,006	8,598	24,564	37,568	198,624	263,694
Cutlass Supreme	1,832	4,525	4,772	18,241	77,404	163,038
Olds 88	4,889	10,474	12,835	44,994	136,767	213,625
Olds 98	2,494	2,535	5,985	9,755	53,362	87,052
Toronado	377	921	1,049	3,061	13,329	12,691
Total Oldsmobile	25,343	30,581	59,379	128,505	575,736	864,453
Fiero	1,013	1,986	2,662	8,015	36,131	57,315
1000	58	537	133	2,236	4,615	15,362
Sunbird	2,218	2,881	5,739	9,905	64,689	87,175
Firebird	1,852	2,515	5,028	9,084	61,111	77,717
Grand Am	5,151	6,205	11,807	15,544	162,374	151,563
6000	4,855	6,800	10,359	28,378	92,478	158,040
Gr. Prix/Bonn. G.	259	1,918	761	6,458	11,521	63,750
Bonneville H	4,575	728	10,424	911	75,935	911
Paris./Safari	510	1,024	1,124	5,177	8,077	58,151
Total Pontiac	20,491	24,594	48,037	86,188	517,131	669,984
GENERAL MOTORS	136,483	129,291	307,233	519,077	2,809,113	3,622,644
HONDA	11,240	11,172	23,628	23,431	234,467	152,902
Civic	423	1,809	2,453	2,815	71,101	4,206
Accord	10,817	9,363	21,175	20,616	163,366	148,696
NISSAN	5,981	2,199	12,516	5,098	101,119	30,606
TOYOTA	2,083	0	4,956	0	30,027	0
VOLKSWAGEN	2,170	2,812	4,531	6,136	49,844	58,084
DOMESTIC TOTAL	275,461	261,596	613,208	924,919	5,520,742	6,386,871
IMPORT TOTAL			286,756	291,471	2,336,506	2,382,056
INDUSTRY TOTAL			899,964	1,216,390	7,857,248	8,768,927

Car sales dip 6% for model year; trucks climb to another record

By Joseph Bohn and Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Sales of U.S.-built and imported cars in the 1987 model year declined 6.04 percent from the total for the 1986 model year, but sales of domestic and imported trucks inched up slightly to set another record.

The total number of cars and trucks sold in the United States during the 1987 model year was 15,496,105, down 5.53 percent from 16,115,804 in the 1986 model year.

In the 1987 model year, car sales totaled 10,536,273 units, a decline of 6.04 percent or 677,035 from 11,213,308 in 1986. Slightly more than 30 percent of the 1987 deliveries were imports.

Truck sales reached new heights. They grew by 1.17 percent or 57,336 units in the 1987 model year. Total sales of light, medium and heavy trucks were estimated at 4,959,832, up from 4,902,496 in the 1986 model year. Final figures from medium- and heavy-duty truck manufacturers were not available last Friday.

Car sales by U.S. automakers dropped 8.92 percent in the 1987 model year — Oct. 1, 1986 to Sept. 30, 1987. There were 7,340,482 U.S.-built cars delivered in the 1987 season vs. 8,059,039 in 1986.

Imported cars accounted for 30.33 percent of the U.S. market in the 1987 model year. A total of 3,195,791 foreign-built cars were sold, up from 3,154,269 in the 1986 model year.

In spite of the final infusion of incentives — low finance rates and rebates — only one of the Big 3 reported a sales gain in the 1987 model year. Ford Motor Co. dealers retailed 2,073,845 cars, an increase of 5.44 percent over last year's 1,966,829.

Sales of U.S.-built Honda and Nissan models grew in the 1987 model year. Honda's sales rose 93.62 percent, and Nissan's sales jumped 149.59 percent. Toyota, which started selling U.S.-built cars last December, sold 34,206 domestically produced cars.

General Motors and Chrysler Motors lost sales during the model year. GM's total of 3,719,267 was down 18.30 percent from 4,552,762 in the 1986 model year. Chrysler's sales dropped to 1,012,512, down 17.74 percent from 1,230,884. Volkswagen's sales declined 10 percent. Mazda began producing cars in the United States in September and reported no sales of U.S.-built cars for the 1987 model year.

The top three domestic nameplates in the 1987 model year had combined sales of more than one million units. They were Ford Escort, 394,999; Ford Taurus, 376,507; and Chevrolet Celebrity, 331,647.

Rounding out the top 10 domestics were: Chevrolet Cavalier, 295,316; Oldsmobile Cutlass Ciera, 264,850; Ford Tempo, 234,663; Honda Accord, 226,907; Pontiac Grand Am, 216,065; Chevrolet Caprice, 189,027; and Oldsmobile Delta 88, 184,402. The Accord total includes only U.S.-built models.

Chevrolet's Corsica/Beretta got off to a late start, but managed to capture 11th place with sales of 179,057 cars in the 1987 model year.

It was a good year for truck manufacturers. Light-truck sales set another record in the 1987 model year, their third straight, but domestic manufacturers are generally looking for a slight falloff in the 1988 campaign.

The question of whether 1988 sets another record is purely technical. By everyone's account, it is still expected to be very good year, meaning a lot of profitability in the truck business — and 100,000 sales, more or less, aren't expected to make a great deal of difference to this 4.6 million-unit market.

It was an interesting model year from the respect that domestic truck companies checked the growth of the imports. The major domestic manufacturers accounted

continued →

Where the U.S. market was, September 1987

	Total Sales	Pct. of Total
SUBCOMPACT	85,315	9.48
COMPACT	146,865	16.32
INTERMEDIATE	258,336	28.71
STANDARD	118,512	13.17
SPECIALITY	4,180	0.46
IMPORT	286,756	31.86
TOTAL	899,964	100.00

Where the U.S. market was model year 1987

	Total Sales	Pct. of Total
SUBCOMPACT	1,050,253	9.97
COMPACT	1,968,215	18.87
INTERMEDIATE	2,756,107	26.16
STANDARD	1,471,834	13.97
SPECIALITY	74,073	0.70
IMPORT	3,195,791	30.33
TOTAL	10,536,273	100.00

U.S. CAR SALES BY MARKETING UNITS

	Sept. 1987	Sept. 1986	9 Mos. 1987	9 Mos. 1986
Alfa Romeo	449	989	5,024	5,890
American Honda	61,797	58,068	525,662	475,526
BMW	8,486	8,311	67,401	70,977
Buick	58,278	87,439	432,275	600,420
Cadillac	22,960	41,207	197,530	234,153
Chevrolet	134,393	196,825	1,190,076	1,382,568
Chrysler	29,205	47,724	226,798	286,844
Dodge	32,243	62,950	311,392	402,082
Eagle	3,331	11,939	33,121	60,511
Ford	129,008	149,617	1,097,903	1,056,141
Hyundai	21,099	20,192	205,477	112,967
Isuzu	3,424	3,000	30,603	24,664
Jaguar	2,192	2,063	16,340	17,388
Lincoln	14,794	17,180	122,715	119,587
Maserati	60	60	540	1,038
Mazda	18,404	21,818	148,769	158,811
Mercedes	7,796	8,734	67,799	66,997
Mercury	45,428	54,413	372,995	394,247
Mitsubishi	5,411	4,035	52,893	36,008
Nissan	48,027	52,428	416,508	414,796
Oldsmobile	59,379	129,505	575,736	864,453
Peugeot	894	1,342	6,980	10,152
Plymouth	26,684	45,825	266,569	321,961
Pontiac	56,172	88,188	544,079	669,984
Porsche	2,301	1,981	19,314	22,642
Saab	3,637	3,481	35,135	36,768
Sterling	1,465	0	10,782	0
Subaru	19,674	16,759	129,369	137,283
Toyota	51,958	45,439	434,633	448,691
Volvo	8,647	9,289	89,596	94,339
VWoA	18,477	22,076	184,068	217,492
Yugo	3,891	4,513	39,162	23,545
TOTAL	899,964	1,216,390	7,857,248	8,768,927

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA combines imports and domestics and Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur XR4TI and Merkur Scorpio. Ford includes Festiva. Chrysler includes Conquest, Pontiac includes Lemans.

IMPORTED CAR SALES

	Sept. 1987	Sept. 1986	9 Mos. 1987	9 Mos. 1986
Acura	10,112	6,531	80,267	29,291
Alfa Romeo	449	989	5,024	5,890
Audi	3,096	5,264	35,239	46,611
BMW	8,486	8,311	67,401	70,977
Chevrolet	15,814	23,087	103,637	128,934
Chrysler	842	329	9,235	363
Dodge	5,357	8,095	46,343	53,343
Ford	5,885	0	16,414	0
Eagle	1,173	824	9,493	3,440
Honda	28,057	28,106	210,928	293,335
Hyundai	21,099	20,192	205,477	112,967
Isuzu	3,424	3,000	30,603	24,664
Jaguar	2,192	2,063	16,340	17,388
Maserati	60	60	540	1,038
Mazda	18,404	21,818	148,769	158,811
Mercedes-Benz	7,796	8,734	67,799	66,997
Mercury	2,268	1,601	11,805	11,919
Mitsubishi	5,411	4,035	52,893	36,008
Nissan	35,511	47,330	315,389	384,168
Peugeot	894	1,342	6,980	10,152
Plymouth	4,824	7,824	42,031	49,675
Pontiac	8,135	0	28,948	0
Porsche	2,301	1,981	19,314	22,642
Saab	3,637	3,481	35,135	36,768
Sterling	1,465	0	10,782	0
Subaru	19,674	16,759	129,369	137,283
Toyota	47,002	45,439	404,606	448,691
Volkswagen	10,850	10,674	98,985	112,797
Volvo	8,647	9,289	89,596	94,339
Yugo	3,891	4,513	39,162	23,545
TOTAL	286,756	291,471	2,336,506	2,382,056

Sales charts compiled by Karen Dziewanski

SALES

for 80.33 percent of the light-truck market, exactly identical to their year-earlier share.

Ford had the industry's top-selling vehicle with its F-series pickup, which accounted for 519,704 model-year sales, down slightly from 544,191 last year.

Chrysler had the biggest gain among domestic companies. Its sales of 703,894 trucks were up 25.38 percent from the 1986 model last year and topped the company's previous high of 608,364 set in 1985. Ford light-truck sales were up slightly, and GM was down 8.70 percent.

Chrysler's Jeep operations reported a record 210,076 sales, slightly ahead of last year's 109,842, the previous high.

Imported trucks amassed a record 910,683 sales, up from their previous high of 901,500 in the 1986 model year.

Among importers, Isuzu, Mitsubishi and Suzuki all posted new highs, while the major imported truck marketers, Toyota, Nissan and Mazda, had fall offs from 1986.

September sales of domestic and imported cars trailed the year-ago total, despite a slight surge for the domestics in the final 10-day period.

The month's sales fell to 899,964, a drop of 26.01 percent from a year ago, when 1,216,390 cars were delivered. Domestic-car manufacturers sold 613,208 cars compared with 924,919 a year ago. Sales dropped off 33.70 percent. The import total also dipped. Imported-car sales were 286,756, down 1.62 percent from 291,471 last year.

The Big 3 reported September sales declines of 18 percent to 48 percent. Ford's deliveries were down 17.55 percent. GM sales declined 40.81 percent, and Chrysler's September sales, which included Jeep-Eagle Division, plunged 47.70 percent compared to last year.

Honda's sales edged up less than 1 percent for the month; Nissan reported a 145.51 percent gain because the Smyrna, Tenn., plant had just resumed production a year ago. Volkswagen's U.S.-built car sales dropped 26.18 percent for the month. Toyota, which was not making cars in the U.S. last September, sold 4,956 this year.

The imports took 31.86 percent of the September market. Domestic shares were: GM, 34.14 percent; Ford, 20.12 percent; Chrysler, 8.81 percent; Honda, 2.63 percent; Nissan, 1.39 percent; Toyota, 0.55 percent; and Volkswagen, 0.50 percent.

The Big 3's incentives helped boost Sept. 21-30 sales 5.30 percent for the domestics.

The total for the third 10-day period was 275,461, up from 261,598 a year ago. But there was one more selling day this year, so the daily selling rate dropped to 30,607 from last year's average of 32,700.

Ford, GM, Honda and Nissan sales numbers rose in the final 10 days.

Ford's sales were up 25.38 percent; GM sales edged up 5.56 percent; Chrysler's sales fell off 30.53 percent.

Honda delivered 32 more cars than it did a year ago and Nissan sold 5,981 cars for a 171.99 percent increase over the Sept. 21-30 period. Volkswagen's U.S. built 10-day sales were off 22.83 percent.

Nine-month car sales in the United States were 7,857,248, down 10.39 percent from last year's 8,768,927.

Domestic car sales were down 13.56 percent and import sales were down 1.91 percent.

For the first nine months, U.S. automakers sold 5,528,742 cars compared with 6,386,671 last year. Import-car sales for the first three quarters of calendar 1987 were 2,336,506 compared with 2,382,056 in the same period a year ago.

Among the domestic automakers, Ford's year-to-date sales were up 7,338 units or 0.47 percent compared with last year's first nine months. Nissan reported a 230.37 percent increase in U.S.-built car sales and Honda tallied a 53.34 percent sales gain.

GM's sales declined 22.46 percent, and Chrysler's sales dropped off 24.51 percent. Volkswagen reported a 14.19 percent downturn.

MODEL YEAR SALES: LIGHT DUTY TRUCK

	1987	1986
Vans	180,166	175,103
Aerostar	163,898	133,628
Club Wagon	27,420	26,548
Ranger	293,333	284,316
Bronco	48,718	51,649
Bronco II	117,135	109,245
Pickups	519,704	544,191
Ford	**1,356,374**	**1,324,680**
Vans	110,525	140,118
Sportsvan	12,015	17,051
Astro	149,977	139,041
S-10	216,693	215,201
S-10 Blazer	153,436	186,891
El Camino	15,626	23,767
Blazer	30,304	46,362
Suburban	54,828	62,848
Pickups	405,722	442,580
Chevrolet	**1,149,126**	**1,273,859**
Vans	68,324	71,975
Ram Wagon	31,342	41,028
Voyager	130,245	108,284
Caravan	138,380	114,332
Mini Ram Van	13,472	15,731
Ram 50	76,913	72,629
Raider	18,962	1,066
Ramcharger	22,828	21,744
Dakota	104,865	4,533
Pickups	98,563	110,094
Chrysler	**703,894**	**561,416**
Vans	37,699	39,099
Safari	31,844	29,743
S-15	47,239	49,139
S-15 Jimmy	36,625	43,710
Jimmy	8,321	9,686
Caballero	1,882	2,795
Suburban	18,886	19,287
Pickups	109,980	114,115
P Model	5,435	4,158
W-4	1,522	992
GMC	**299,433**	**312,724**
Wrangler/CJ	31,192	36,247
Wagoneer	14,001	12,941
Cherokee	108,951	109,149
Grand Wagoneer	15,965	17,060
Comanche	38,613	32,657
J-10/J-20	1,354	1,788
Jeep	**210,076**	**209,842**
Toyota	329,647	377,451
Nissan	214,573	220,126
Mazda	139,390	149,570
Isuzu	92,896	85,061
Mitsubishi	49,553	31,638
Suzuki	80,745	34,892
Subaru	2,330	3,760
Range Rover	1,549	0
Imports	**910,683**	**901,500**
Industry Total	**4,929,566**	**4,984,821**

LIGHT-DUTY TRUCK SALES

	Sept. 1987	Sept. 1986	9 Mos. 1987	9 Mos. 1986
Vans	16,808	15,984	140,609	134,838
Aerostar	12,363	11,835	124,610	110,761
Club Wagon	1,491	1,555	19,741	19,695
Ranger	19,091	25,874	240,796	216,953
Bronco	4,098	5,097	36,407	37,277
Bronco II	10,733	14,418	92,347	78,232
Pickups	45,288	73,052	403,720	428,985
Ford	**109,872**	**147,815**	**1,058,230**	**1,026,741**
Vans	8,157	16,628	83,041	107,493
Sportsvan	777	1,057	9,067	12,666
Astro	9,421	9,521	112,340	110,295
S-10	18,893	23,813	178,445	165,168
S-10 Blazer	18,637	20,691	122,659	129,043
El Camino	1,521	2,765	11,596	17,478
Blazer	2,379	5,715	22,003	33,592
Suburban	3,873	8,385	41,873	48,271
Pickups	33,167	55,508	313,905	351,234
Chevrolet	**96,825**	**144,083**	**894,929**	**975,240**
Vans	4,315	6,624	52,447	57,829
Ram Wagon	2,243	3,480	23,595	32,096
Voyager	10,820	7,885	102,230	82,068
Caravan	12,062	9,147	108,943	86,527
Mini Ram Van	1,050	1,083	10,261	11,376
Ram 50	6,054	7,286	53,529	55,322
Raider	2,030	978	15,260	1,066
Ramcharger	1,979	2,616	18,193	18,371
Dakota	8,827	2,788	80,353	4,533
Pickups	8,071	13,941	73,065	80,953
Chrysler	**57,451**	**55,828**	**537,876**	**430,141**
Vans	2,423	4,694	28,403	30,326
Safari	1,862	1,897	23,863	23,197
S-15	4,681	4,934	39,179	38,024
S-15 Jimmy	4,100	4,966	28,786	31,188
Jimmy	587	1,359	5,966	7,635
Caballero	165	274	1,440	2,100
Suburban	1,103	2,429	13,885	14,960
Pickups	8,779	13,634	86,144	88,963
P Model	412	267	4,053	3,283
W-4	152	114	1,142	912
GMC	**24,264**	**34,568**	**232,841**	**239,988**
Wrangler/CJ	2,040	2,934	21,838	25,913
Wagoneer	1,075	1,683	9,359	8,208
Cherokee	9,081	12,856	78,691	76,965
Grand Wagoneer	1,003	1,626	9,754	10,993
Comanche	3,034	4,176	20,268	24,108
J-10/J-20	73	142	1,114	1,275
Jeep	**16,306**	**23,417**	**150,024**	**147,462**
Toyota	25,275	32,352	238,023	292,526
Nissan	18,732	22,916	167,129	175,962
Mazda	8,261	16,430	100,701	118,438
Isuzu	7,931	8,623	39,526	65,350
Mitsubishi	4,433	2,891	38,454	23,886
Suzuki	6,077	3,709	65,259	32,246
Subaru	85	570	1,203	3,015
Range Rover	248	0	1,549	0
Imports	**71,842**	**90,291**	**681,844**	**711,423**
Industry Total	**375,760**	**495,982**	**3,555,744**	**3,530,906**

Compiled by Karen Dattoweski

DOMESTIC MODEL YEAR CAR SALES

	1987	1986
Alliance/Encore	34,838	73,280
Eagle	4,567	8,988
Total Eagle	39,405	82,257
Horizon	64,563	100,968
Sundance	75,080	5,698
Turismo	21,908	47,464
Reliant	105,841	131,372
Caravelle	37,866	39,331
Gran Fury	9,792	15,944
Total Plymouth	315,050	340,777
Laser	8,041	31,458
LeBaron K	59,934	97,450
LeBaron J	60,604	0
LeBaron GTS	38,594	71,542
Fifth Avenue	61,406	110,639
New Yorker C	95	0
New Yorker E	56,296	59,455
Total Chrysler	284,970	370,544
Omni	54,172	88,087
Shadow	75,579	5,101
Charger	24,721	51,933
Daytona	33,065	40,504
Aries	101,161	104,572
Lancer	28,148	50,511
Diplomat	16,881	33,310
Dynasty	33	0
Dodge 600	39,327	63,288
Total Dodge	373,087	437,306
CHRYSLER MTRS.	1,012,512	1,230,884
EXP	0	626
Escort	394,999	415,521
Mustang	163,392	175,596
Tempo	234,663	251,618
Taurus	376,907	165,160
Thunderbird	126,767	144,577
LTD	0	50,717
Crown Victoria	125,761	128,280
Total Ford Div.	1,422,489	1,332,097
Lynx/Tracer	67,140	71,753
Topaz	67,722	62,089
Sable	109,394	70,563
Cougar	101,480	121,972
Capri	1,956	13,358
Marquis	0	22,652
Grand Marquis	122,950	112,225
Total Mercury	470,644	474,612
Continental	16,534	19,812
Lincoln	136,085	119,180
Mark VII	28,093	20,328
Total Lincoln	180,712	159,320
Total L-M	651,356	633,932
FORD MTR. CO.	2,073,845	1,966,029
Skyhawk	44,431	77,966
Skylark	0	1,341
Somerset Regal	74,549	113,862
Century	171,973	239,278
Regal	54,401	82,904
LeSabre	153,158	104,570
Electra	82,939	111,245
Riviera	19,838	25,835
Total Buick	601,289	757,001
Cimarron	14,651	24,209
Allante	1,651	0
Seville	22,304	20,539
Cadillac	208,241	225,894
Eldorado	20,587	29,411
Total Cadillac	267,434	300,053
Chevette	39,071	75,761
Nova	140,664	170,661
Cavalier	295,316	386,258
Citation	0	2,464
Camaro	122,761	173,674
Celebrity	331,647	395,860
Corsica/Beretta	179,057	0
Monte Carlo	68,472	117,671
Chevrolet	189,027	228,706
Corvette	25,266	35,969
Total Chevrolet	1,391,281	1,587,024
Firenza	18,520	39,212
Calais	103,510	119,740
Cutlass Ciera	264,860	330,572
Cutlass Supreme	106,303	202,158
Olds 88	184,402	241,417
Olds 98	75,680	116,615
Toronado	17,400	18,105
Total Oldsmobile	770,675	1,067,819
Fiero	47,156	71,283
1000	7,582	20,066
Sunbird	81,930	109,807
Firebird	77,635	96,208
Grand Am	216,065	190,994
6000	133,881	196,209
Gr. Prix/Bonn. G	18,827	82,478
Bonneville H	93,585	911
Paris./Safari	11,927	72,909
Total Pontiac	688,588	840,865
GENERAL MTRS.	3,719,267	4,552,762
HONDA	316,812	183,629
Civic	89,905	4,206
Accord	226,907	179,423
NISSAN	123,113	49,325
TOYOTA	34,206	0
VOLKSWAGEN	60,727	76,410
DOMESTIC TOTAL	7,340,482	8,059,039
IMPORT TOTAL	3,195,791	3,154,269
INDUSTRY TOTAL	10,536,273	11,213,308

NHTSA cites 3 cases in X-car appeal

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA is using three sample consumer complaints out of thousands about "premature rear brake lock-up" in General Motors X-cars on dry roads to rebut GM's defense that "all cars skid."

The agency is pressing its appeal of a court decision favorable to GM in the case involving 1980 X-cars.

The X-cars, which are no longer built, were Chevrolet Citation, Pontiac Phoenix, Oldsmobile Omega and Buick Skylark.

The latest government reply brief noted that the three complaints were made well before any NHTSA announcement of its lawsuit on the alleged brake defect or adverse news stories.

The brief counters GM claims that expert testimony from NHTSA supported GM's position that its early X-cars were no different than similar models offered by other manufacturers. It also accuses GM of obfuscation and bad faith, specifically in charges that GM received different treatment than the agency gives other automakers.

GM Chairman Roger B. Smith, in town for a 1988-model showing to Congress on the day of oral argument of the X-car case, compared the X-cars with the Corvair. It was a design, he said, that was vindicated after the car had gone out of production.

"We'll be vindicated on the X-car, but the X-car is gone," he said.

An NHTSA official, who asked not to be named, disagreed. Rather, he said he feared that the 1980 X-cars may all be junked if the appellate court takes as long to rule as U.S. District Judge Thomas Penfield Jackson did. Jackson took more than two years, and then reached what the government thinks is the wrong decision.

During oral argument before the appellate court, Douglas Letter, speaking for the Justice Department and NHTSA, said Jackson's decision did not follow court precedent allowing consumer complaints to show a "performance defect" without any necessary explanation of the technical cause.

That rests on three early GM defect cases — Kelsey-Hayes wheels, pittman arms and the Quadrajet carburetor — all of which GM lost.

The government contends the real-life experience mirrors GM's own document trail of complaints from its professional test drivers to high GM officials before GM started producing the early front-drive vehicles.

Thomas Gottschalk, of Kirkland and Ellis, speaking for GM, claimed that no government engineer could show that complaining consumers had not skidded on a slick road covered with oil or on a road not properly maintained.

He added that GM's two early recalls were efforts to improve brakes but were not evidence of a defect. Finally, the "surge" in consumer complaints to NHTSA resulted from "intense, massive and adverse" publicity, he said.

The government responded that half the consumers complaining after the publicity had complained before the television coverage.

The three-judge appellate panel consisted of Judges Harry T. Edwards, Douglas H. Ginzburg and Kenneth W. Starr.

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Oct. 14 — Columbus Auto Auction, Columbus, Ohio

Oct. 15 — Corry Auto Auction, Corry, Pa.

Oct. 20 — D-A Auto Auction, New Stanton, Pa.

Chrysler Motors

Oct. 13 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Oct. 14 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Oct. 15 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

Oct. 14 — Atlanta Auto Auction, Red Oak, Ga., and Concord Auto Auction, Acton, Mass.

Oct. 15 — Dallas Auto Auction, Grand Prairie, Texas; Baltimore-Washington Auto Exchange, Baltimore; Southwest Auto Auction, Phoenix, Ariz.; Bay Cities Auto Auction Inc., Hayward, Calif.; and 166 Auto Auction, Springfield, Mo.

Oct. 21 — Columbus Fair Auto Auction, Obetz, Ohio; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City

Oct. 22 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; and Skyline Auto Exchange, Fairfield, N.J.

Oct. 27 — South Seattle Auto Auction, Kent, Wash.

Oct. 28 — Northway Auto Auction, Clifton Park, N.Y., and Clanton's Auto Auction, Darlington, S.C.

Oct. 29 — Houston Predelivery Center, Houston; Bay Cities Auto Auction Inc., Hayward, Calif., and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

Oct. 13 — Florida Auto Auction of Orlando, Ocoee, Fla.

Oct. 14 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Oct. 15 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Oct. 20 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Oct. 21 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Omaha Auto Auction, Omaha, Neb.

Oct. 22 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Oct. 27 — Harrisonburg Auto Auction, Harrisonburg, Va.

Oct. 28 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

Oct. to date	$6,029
Month ago	$6,054
Year ago	$5,235

Model Breakdown
Auction Averages

	OCT 1987	SEP 1987	AUG 1987
1987	$11,339	$11,357	$11,726
1986	$8,778	$8,808	$8,934
1985	$7,302	$7,321	$7,385
1984	$5,749	$5,764	$5,754
1983	$4,932	$4,940	$5,016
1982	$3,591	$3,607	$3,648
1981	$2,566	$2,583	$2,632
1980	$2,036	$2,044	$2,072
Overall Average	$6,029	$6,043	$6,070

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Inventories lowest in 12 months

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Oct. 1 stockpile of U.S.-built cars was the leanest in 12 months, but the days' supply could not match last October's 35-day supply, lowest in 14 years.

Nor could it match Oct. 1 two years ago, when there was a 36-day supply of cars.

Stocks diminished during September to 1,396,454 cars on Oct. 1, a 57-day supply. That was 40,381 units lower than last month's 1,436,835, also a 57-day supply based on a slightly faster daily sales rate.

On Oct. 1, 1986, the stockpile was 1,291,280 unsold cars. Last year, U.S. carmakers had unusually effective incentives in place to clear stocks, so the Oct. 1 stockpile would have been sold in only 35 days. Chrysler Motors, General Motors and Ford Motor Co. were offering 2.4 or 2.9 percent financing rates — the first time they used such low rates to clear out inventories. American Motors promoted a 0.0 percent rate.

Two years ago, the Big 3 offered 7.5 or 7.7-percent financing.

This September's flurry of low-interest financing and rebates was part of continuing inducements from manufacturers, diluting their effectiveness. Some analysts and dealers suggest consumers were waiting for 1988 models to be introduced.

Ford had the leanest inventory of the Big 3, a 46-day supply on Oct. 1, compared with 51 days at the start of September. Chrysler's stocks were larger but its days' supply dropped to 79 days from last month's 83. GM's Oct. 1 unit count was down from last month's, but because of slack sales, GM was left with a 62-day supple vs. 59 days on Sept. 1.

Honda began October with an 11-day supply of U.S.-built cars compared with 8 days' worth a month earlier. Volkswagen's domestic-car stocks dipped 30.28 percent and resulted in a 57-day supply, down from 80 days last month.

Toyota's stock of U.S.-built cars was down by a third, leaving a 33-day supply vs. 66 days on Sept. 1. Nissan's inventory of U.S.-built cars dropped to a 29-day supply compared with last month's 38 days.

Companies shared the Oct. 1 inventory as follows: GM, 54.94 percent; Ford, 24.08 percent; Chrysler, 17.98 percent; Nissan, 1.02 percent; Honda, 0.77 percent; Volkswagen, 0.74 percent; and Toyota, 0.47 percent.

Last month, the shares were: GM, 54.80 percent; Ford, 24.94 percent; Chrysler, 16.67 percent; Nissan, 1.30 percent; Volkswagen, 1.03 percent; Honda, 0.64 percent; and Toyota, 0.62 percent.

The domestic shares by size class on Oct. 1 were: subcompact, 10.77 percent; compact, 22.74 percent; intermediate, 44.64 percent; standard, 20.45 percent; and specialty, which is made up of Allante, Corvette and Fiero, 1.40 percent.

Stocks of specialty-class cars grew in September. Cadillac's Allante inventories were equal to a 497-day supply, and Chevrolet Corvette had 155 days' worth. Pontiac Fiero' unit count was down, but the days' supply was at 79 vs. 71 last month.

DOMESTIC DAYS' SUPPLIES

	Oct. 1, 1987	Sept. 1, 1987	Oct. 1, 1986
Alliance	108	115	56
Eagle	208	157	38
Total Eagle	119	119	53
Horizon	112	28	30
Sundance	58	47	56
Turismo	44	59	30
Reliant	60	128	43
Caravelle	68	86	30
Gran Fury	74	51	40
Total Plymouth	62	74	37
Laser	0	0	53
LeBaron K	80	64	21
LeBaron J	91	87	0
LeBaron GTS	127	128	37
Fifth Avenue	72	67	35
New Yorker E	130	130	32
Total Chrysler	95	89	33
Omni	91	32	32
Shadow	60	50	60
Charger	43	61	27
Daytona	94	86	32
Aries	59	114	41
Lancer	147	122	42
Diplomat	91	53	40
Dodge 600	75	76	30
Total Dodge	73	78	36
CHRYSLER MTRS.	79	83	35
Escort	45	52	24
Mustang	53	45	28
Tempo	40	46	34
Taurus	47	54	62
Thunderbird	46	51	21
Crown Victoria	44	48	59
Total Ford Div.	46	51	34
Lynx	45	55	27
Topaz	55	62	45
Sable	55	71	48
Cougar	47	44	12
Capri	0	0	28
Grand Marquis	37	32	42
Total Mercury	47	52	31
Continental	44	45	49
Lincoln	46	48	39
Mark VII	43	48	50
Total Lincoln	46	48	42
Total L-M Division	47	51	34
FORD MOTOR CO.	46	51	34
Skyhawk	74	78	44
Skylark/Somerset	71	74	47
Century	44	80	35
Regal	98	66	51
LeSabre	63	52	72
Electra	61	69	54
Riviera	54	60	39
Total Buick	60	67	48
Cimarron	66	54	29
Allante	497	199	0
Seville	83	71	38
Cadillac	53	44	33
Eldorado	63	49	27
Total Cadillac	58	47	33
Chevette	62	69	63
Nova	50	52	15
Cavalier	62	59	40
Camaro	80	66	50
Celebrity	84	70	27
Corsica/Beretta	52	57	0
Monte Carlo	151	116	38
Chevrolet	42	47	50
Corvette	155	110	62
Total Chevrolet	65	62	35
Firenza	67	106	40
Calais	57	43	34
Cutlass Ciera	34	47	23
Cutlass Supreme	116	88	32
Olds 88	62	40	25
Olds 98	59	48	47
Toronado	54	64	34
Total Oldsmobile	54	50	28
Fiero	79	71	50
1000	69	84	51
Sunbird	51	51	57
Firebird	67	52	44
Grand Am	77	45	36
6000	75	90	21
Gr. Prix/Bonn. G	94	109	44
Bonneville H	74	—	—
Paris./Safari	63	83	47
Total Pontiac	72	64	36
GENERAL MTRS.	62	59	36
HONDA	11	8	11
NISSAN	29	38	26
TOYOTA	33	86	0
VOLKSWAGEN	57	80	64
DOM. TOTAL	57	57	35

Burnley nominated to head DOT

WASHINGTON — James H. Burnley IV, who has been acting head of the Department of Transportation since the resignation of Elizabeth Dole last month, was nominated to succeed her as transportation secretary last week.

Dole resigned from the cabinet to assist her husband, Sen. Robert Dole, R-Kan., in his presidential bid.

Burnley, 39, has been deputy secretary since November 1983. He is expected to face some congressional opposition because of his confrontational approach to critics of the department's handling of aviation safety.

As deputy secretary, Burnley was the top policy adviser to Dole and was the equivalent of a chief operating officer for DOT's 100,000 employees and $26.5 billion budget. He joined DOT in early 1983 as general counsel, leaving a post as associate deputy attorney general in the Justice Department.

An attorney from Greensboro, N.C., Burnley served as a local campaign chairman for President Reagan in 1980. After the election, he was appointed director of Volunteers in Service to America.

The new deputy secretary is Mimi Weyforth Dawson, currently a commissioner of the Federal Communications Commission. Her husband, Rhett Dawson, is a chief aide to former Sen. Howard K. Baker, President Reagan's chief of staff.

While Burnley has dealt with issues ranging from trucking deregulation to highway fund reauthorization, his stance toward critics of the nation's air safety angered senators who deal with aviation issues and may have contributed to the administration's delay in naming him to the top DOT post.

On CBS News' "Face the Nation" last May, Burnley accused critics of DOT's aviation safety record of talking "gibberish and nonsense" and frightening air travelers with "loose, quick, glib" comments.

GM-UAW

FROM PAGE 3

Roger Smith repeated that because of GM's high degree of vertical integration, it would need to modify the pattern set in the Ford contract. Meanwhile, local union leaders at GM and many in the rank-and-file had been saying for weeks they would accept nothing less than what Ford workers got.

At the same time, Wall Street analysts were maintaining that GM had to reject the Ford pattern or abandon its goals of world-class efficiency. Some said GM had to take a strike to prove to the financial community that it was serious about restructuring.

When the agreement was announced last Thursday — with the union claiming it "achieves all of our goals" and the company saying the contract could help it become more competitive, one seasoned observer in the International Union of Electronic Workers remarked that the entire process had been "masterful posturing" on the part of GM and the UAW.

GM workers got what they said they wanted all along — the same deal as Ford workers, he said.

Meanwhile, GM has an agreement it can maneuver with. As details of the Ford agreement have become available, it appears the new contract might not be the millstone analysts predicted it would be for GM. The company can still outsource when "practical," lay people off when sales are slow, sell plants and see its workforce shrink through attrition. That process will be hastened by improved pensions.

Thus it appears UAW President Owen Bieber got what he said he wanted when Ford was chosen as the target in late August: "an industry contract." Some local union leaders said, in fact, that the Ford contract was "cheaper" than it needed to be at Ford, precisely because it was designed with GM in mind.

A UAW source said the new contract "won't be that expensive for GM." He said GM had been pushing for special treatment for its component operations, but those demands "fell by the wayside."

Rather than face a costly strike, "they swallowed the pill — and it won't be that big a pill. They will have to spend a little more for job protection than Ford," the source said.

Ford has committed $500 million to back its Guaranteed Employment Numbers program. Published reports indicate GM will back its new job security program with a little more than the $1 billion it set aside for the Job Opportunity Bank — its current safety net for laid-off workers.

But analysts unequivocally said any operational efficiencies GM might get out of a new contract are not enough. They say GM needs to "cut heads" by closing assembly plants and uncompetitive component plants.

Ron Glantz of Montgomery Securities called the tentative settlement "incremental bad news" for the company. He said he had already downgraded GM stock to "sell," based on its earnings estimate, before GM agreed to the new contract.

"If there were a category lower than sell, I'd use it. I'm sitting here figuring out how to downgrade my earnings estimate" for GM, Glantz said Friday.

GM President Roger Smith, who was present when the agreement was announced, said he was pleased the settlement had come "without a labor disruption. It's an important time for us this year for new models." He called the settlement "a good contract."

Union dissidents say the GM agreement will face some degree of opposition at the GM council and before the membership. Local union sources at Ford say several large skilled-trades units turned down the contract because they said it will result in work-rule changes including teamwork for skilled tradesmen. "The job guarantee is for three years, but the work-rule changes are forever," said a Ford local officer.

Dave Yettaw, president of UAW Local 599, which represents 15,000 workers at GM's Buick City complex, said "GM workers are going to be disillusioned" if job protection in their contract excludes the 50,000 to 70,000 people who are on layoff or slated to go on layoff because of plant closings.

DEALERSHIPS

FROM PAGE 3

Jones also said he knows of a U.S. citizen who is fronting for foreign investors in buying dealerships. He said that the individual's plan is to buy seven dealerships in the next two years.

"I see it becoming part of the industry either by the manufacturers or outside interests," he said. Jones predicts that in the next two years, foreigners will own 10 to 15 percent more dealerships than they do now.

Robert Monteith, of Robert Monteith and Associates, in Westlake Village, Calif., said that two West Coast dealers are seriously looking at selling their stores to Pacific Rim investors, though he would not name the parties.

Robert Johnson, formerly an employee of Lex, is president of York Associates on Long Island, a firm that represents foreign investors looking for dealerships.

"I know of 30 examples that I have come across of foreigners who have purchased dealerships," he said. The buyers are from the United Kingdom, Australia, Hong Kong, Germany, Lebanon and Saudi Arabia.

"I am aware of one overseas investment banker — a relatively well-known one — who wants to invest money in U.S. dealerships," Johnson added.

Most of the investors come in groups; some represent manufacturers, including foreign automobile manufacturers, though that may occur through a front person, the dealmakers say.

Generally, the investors are looking for large dealerships with annual sales from $2 million to $100 million or more. Almost always, they look only at dealerships in major metropolitan areas. And most often they want dealerships with more than one franchise — preferably a domestic as well as an import.

Lex, for example, is looking for a multi-point dealership that has a strong domestic franchise as well as imports, preferably an Asian and a European franchise, Beck said.

Monteith said the U.S. vehicle franchise system is ripe for foreign investment because investors see opportunity in the richest market in the world where the franchise system is "antiquated." Real estate prices in many areas have skyrocketed and prices of dealerships have climbed; yet the traditional ways of financing dealerships remain unchanged.

Monteith pointed out that 10 years ago, a general manager or a general sales manager of a dealership, with $50,000 dollars to invest, could borrow $500,000 to buy his own single franchise.

"That kind of money won't even get him in the door today," said the former banker.

Monteith predicts a surge of foreign investment in U.S. dealerships in the next five years, as the present generation of dealers with large holdings ages and turns over its franchises to successors.

Some foreigners believe they can run the dealerships better and with bigger returns than can Americans.

"The feeling is we are not running dealerships the way they should be run, that we're not service-oriented," said Jones, of Action Brokers. "If they implement their own ideas into a dealership, they can make the move successful."

NADA

FROM PAGE 1

current First Vice President Jimmy C. Payton will succeed President James T. Caplinger at the Feb. 6-9 1988 NADA convention in San Francisco because that's the orderly way the NADA system works.

However, the real race will decide who will succeed Payton as first vice president, and thereby secure a place in the line of succession. The dealer elected first vice president will become president at the Feb. 11-14, 1989 convention in New Orleans until the Feb. 10-13, 1990 convention in Las Vegas.

Adcox, a 34-year Chevrolet dealer in Chattanooga, Tenn., and an NADA director for five years, believes the key campaign issues include dealers' rights in matters such as binding arbitration and marketing without factory intervention, as well as NADA's ability to take issue with the manufacturers when necessary.

Adcox said he prefers working quietly behind the scenes compared with fighting battles in the press. He said NADA has been able to accomplish things by open communications with manufacturers.

Banks, a 30-year Chevrolet-Cadillac dealer in Concord, N.H., and an 11-year NADA director, said the key issues facing NADA is the survival of the dealer in the face of "competition from overseas" and over-capacity of domestic manufacturers.

Banks, who once ran for Congress, said every dealer needs to be politically involved, that NADA "could get a little more attention" in "certain areas," and that he has a "new direction for NADA" that he intended to propose to the other directors this week.

Smith, a 30-year Kansas City (Mo.) Ford dealer, 7-year NADA director and former Region III vice president, said the key issue is improving NADA's ability to react quickly in daily business, particularly "when we have to put out fires."

Smith said he believes NADA needs to work publicly to call attention to issues and "in a quiet room" behind the scenes to solve the problem.

"I'm not one that tries to go out and beat the drum just to beat the drum," he said.

Tonkin, who operates nine stores and sells 13 makes in the Portland (Ore.) area, is a five-year NADA director and Region IV vice president, said the key issues "must unite dealers the way we've never been united before." He believes dealers have not been tough enough and should have a voice on the automaker's board of directors and in matters such as factory management/labor relations.

Tonkin, an outspoken critic of the current factory policy toward dealers, sent a tape of his 1987 Automotive News World Congress speech blasting those policies to each of the 58 NADA directors.

"There's no question that it's a real horserace," said NADA President Caplinger. "We have four good, strong candidates for the first time I can remember. I got a lot more mail than ever before, so that must mean there is more interest," he said.

"I don't think any of the candidates can win it on the first ballot," said James B. Woulfe, immediate past president and chairman of the nominating committee.

"It has been a spirited race," said Payton of the contest to name his successor. "There hasn't been any acrimony or anything like that, but I have received more mail from the candidates this year than ever before."

Although there is a similarity of opinion on key issues facing dealers, the way in which NADA and its paid staff deals with those issues, as well as day-to-day business, has itself become an issue.

Tonkin seems most likely to exert more control over the staff. He said that as president he might lease a Washington-area apartment to be a "full-speed-ahead and balls-out" leader. "The staff and leadership are there," Tonkin said. "It's just a matter of coordinating them."

Smith said officers "should not try to do the staff's job or vice versa." He said the staff is good enough so that the president doesn't have to get involved in operations. "We set the policy and the staff implements it."

Candidate Banks said one of the functions of officers is to "keep an eye on the bureaucracy" to keep it from getting out of hand. "The president and first vice president must express to the staff the will of the dealer body," he said.

Caplinger: "There's no question that it's a real horserace. We have four good, strong candidates for the first time I can remember."

Adcox said the NADA staff has "the most competent people available" who do not make decisions without input from the officers, and he does not believe a president needs to relocate to Washington to run the staff.

NADA Executive Vice President Frank McCarthy said some presidents seem to be more present than others.

"I'm happy and the staff is happy to work with whoever is elected," said McCarthy. "I have one strong rule: The staff stays out of elections."

Although most staff members claimed no interest in the outcome of the election, it is clear there is awareness of the staff autonomy issue.

Said one NADA director who spoke on condition of anonymity: "The time will come when we'll need a strong leader to deal with the factories, the press and everybody," he said.

"The staff likes to run the show," he said, "and the weaker the guy (who is president), the better the staff likes it.

"Although nothing has been said directly about controlling the staff, I think the staff is afraid of Tonkin and is being very careful not to show it or to take sides," the director added.

"Maybe the staff is talking about it (the election) a little bit more than normal, but I don't think anybody is sitting back and quaking in his boots," said Stephen R. Pitt, executive director of convention and member services.

McCarthy is the ranking paid employe of NADA. Two years ago McCarthy reorganized the staff, putting attorney John J. Ferron immediately under him on the oraganizational chart as vice president. The 12 divisional executive directors then reported to Ferron, who reported to McCarthy.

However, earlier this year, McCarthy once again shuffled the deck and took away some of Ferron's power. Under the May reorganization, only five executive directors report to Ferron. The other seven now report directly to McCarthy.

"It in no way diminishes Jay's responsibility and authority," McCarthy said.

McCarthy said he and Ferron discussed the change for months before it was made, to smooth operations and make Ferron's job easier.

Still, the change is viewed by some as having divided the staff into pro-Ferron and pro-McCarthy sympathizers.

"If there is any staff divisiveness, I have not seen it," McCarthy said.

Ferron did not return several telephone calls last week.

The NADA executive committee took no official action to either initiate or ratify the latest shuffle, thereby giving a de facto blessing. Said one director who spoke on the condition of anonymity: "Frank has made some changes that put him back in charge completely. Jay was running his own bailiwick. He's pushier and likes to do things faster."

Said another director, who also requested his name not be used: "McCarthy did what was necessary."

Incoming president Payton perceives no staff split. "Jay's job is a new job, and the job description might be blurred. It might be necessary to adjust the job description as the job is molded."

The candidates in this month's election also supported McCarthy.

Despite the staff housekeeping issues and the positions of the various candidates, most directors publicly remain noncommittal. They will cast secret ballots to decide the winner from among the four. Therefore, it is virtually impossible to accurately predict the outcome of the election.

The whole matter could come down to something simple, said one veteran board member: "Sometimes you vote for the guy you just plain know the best, and more than likely he's a guy from your line group."

NICHE

FROM PAGE 1

buyers. In addition, the newcomers are filling a void left when the Japanese headed upscale.

Domestic bargains such as the Chevrolet Chevette also have left the scene. And, Chrysler Motors created an opening when it stopped production of the Omni-Horizon series for six months earlier this year.

The success of this year's new entries reflects the strength of the under-$6000 market. As in the past, the entry-level segment has been anchored by young, first-time buyers. Another factor can be found in the changing circumstances surrounding the purchase of a family's second or third car, said Suzanne Kinsler, vice president for competitive assessment at Autofacts Inc., a forecasting firm in Paoli, Pa.

As car prices have risen and car loan maturities have been extended, it has become more difficult for many households to squeeze another car payment into the budget. "Once you get into the position where you are all borrowed out, those cars under $6,000 are the only way these people can afford a car," Kinsler said.

Of this year's five new entries under $6,000, only the Justy is built in Japan. The Fox comes from Brazil. The Precis (Mitsubishi's version of the Hyundai Excel), LeMans and Festiva are all produced in South Korea.

In buyers' minds, however, the source of the car appears to be fading as a concern. Hyundai, with its sudden success in the U.S. market over the last 18 months, gets a lot of credit for easing doubts about South Korea's merits as an auto producer.

As Hyundai has shown, it is not just the Japanese that have cornered a reputation for reliability, said George Peterson, president of the AutoPacific Group, Newport Beach, Calif. Customers feel that the Asian cars have intrinsic values that they don't perceive in domestic cars, he said.

Sourcing aside, it is still price that is drawing most buyers to these cars. The $6,000 mark remains a threshold — as evidenced by the just-under-the-barrier price tags on the base Fox ($5,990) and LeMans ($5,995).

With a sea of manufacturers touting price, the net effect is a blur of images to the consumer, said Roger Lykins, sales analysis manager at Ford, whose Festiva starts at $5,765. "It's not until you look at them (the cars) that you are going to make a discrimination between them."

And shoppers will find differences. Subaru's two-door Justy, for example, carries a 3-cylinder, 1.3-liter engine in its two models and tops out at $6,295 before options. The four-cylinder, 1.6-liter LeMans, meanwhile, is available in two coupe and two sedan models and climbs to $8,399. Options can push the price past $10,000.

It's not unusual for a customer to wind up paying $7,000 or more for a car they planned on spending $5,900 for. Analysts say that the profits these cars bring automakers will be limited. And extensive advertising will further erode the bottom line.

But for Ford and Pontiac, the Festiva and LeMans help broaden product lineups and provide a chance to create brand loyalty.

Mitsubishi, saddled with Japanese export quotas, says its Korean-built Precis broadens its dealers' line and gives them more units to sell. Subaru will be putting more emphasis on the Justy as it retreats from its troubled foray upscale.

Also, Japanese makers could mount a comeback in this niche. Honda is poised to sell a model below its Civic, and Nissan is preparing to bring in a Taiwan-built version of its 1.2-liter Micra. In December, Daihatsu will introduce its Charade minicar to the United States.

Here is a summary of how the five newest entries have performed so far:

FESTIVA: Ford staggered the launch of the Festiva in an effort to guarantee an adequate supply to its dealers. Sales have been climbing steadily since its West Coast introduction in April, and last month 5,885 Festivas were sold. With the launch concluding this month, Ford should have little trouble reaching its 1987 goal of 30,000 sales. Next year Ford expects 85,000.

Meanwhile, the Ford Escort has been able to hold its own alongside its new showroom partner. After the Festiva went on sale in California, Escort sales in the state rose 25 percent, said a spokesman. "We are finding a lot of people looking at Festiva and driving away in an Escort."

FOX: A launch slowed by a Brazilian strike could prevent Volkswagen from reaching its sales target of at least 40,000 sales in 1987. The company needs to close out the final quarter with more than 13,500 sales to reach its goal.

But aside from that early supply problem, the car has done all that has been expected. Monthly sales have averaged around 4,000 for six months straight. Inventories stand near the five-day level, and some dealers say they have been getting more than list price.

Volkswagen expects to sell 70,000 to 80,000 Foxes in the United States next year.

JUSTY: Subaru had hoped to chalk up at least 12,000 Justy sales in 1987 — and it could sneak past that mark now that supply problems have eased and shipments have been increased from 800 to more than 1,200 per month. Through September, 8,055 Justys had been sold. Next year, Subaru is looking at 30,000 sales.

Subaru's strategy is to put more emphasis on the lower end of its product lineup. A new national ad campaign will feature the four-wheel-drive version of the Justy, which goes on sale later this month.

LeMANS: Pontiac expects to sell 85,000 to 100,000 LeMans models in the 16 months between its June launch and the start of the 1989 model year. If August and September are any indication — U.S. sales averaged nearly 9,000 each month — Pontiac will surpass that goal easily.

The labor unrest in South Korea cost Pontiac three weeks of production at the Daewoo Motor Co. plant. LeMans supplies have fallen to 31-day levels.

PRECIS: Mitsubishi sold 16,047 Precis models between March and September and expects 25,000 sales for the year. With the South Korean labor crisis apparently settled, the company will attempt to keep the flow of cars steady at about 2,500 per month.

The Precis is in an unusual position: Through its 15 percent stake in Hyundai Motor Corp., Mitsubishi was able to secure 30,000 Hyundais a year and sell them under the Precis banner in the United States.

PROFITS

FROM PAGE 1

and models that provide high-volume sales or high per-car profit have been particularly hard hit.

Also, three plants that will produce the new GM10 mid-sized cars are on a slow acceleration schedule.

Ann Knight, auto analyst for PaineWebber Inc., said the third quarter will begin to show a squeeze on General Motors Acceptance Corp. earnings because of a rise in interest rates on the money that GMAC borrows.

For several years, GMAC's record earnings have boosted GM's overall earnings. Chrysler Financial Corp. and Ford Motor Credit Co. also are pressured by higher interest rates on borrowed money, but not to the same degree as GMAC, Knight said.

Ford is expected to earn roughly the same, or somewhat less, in this year's third quarter than it did last year. Based on the analysts' forecasts, Ford will earn about $660 million, compared to $693 million in the year-ago quarter.

Analysts said Ford's earnings were diminished by the company's recall of 4.3 million vehicles to install equipment to lessen the possibility of fires.

Chrysler is expected to report earnings of about $235 million. That compares with year-ago third-quarter earnings of $324 million.

Chrysler's third-quarter results this year include earnings from American Motors. Chrysler's acquisition of AMC was finalized during the quarter. Chrysler's year-ago figures do not include AMC, which lost $40 million in the third quarter of 1986.

Analysts said Chrysler earnings were reduced by the costs of its end-of-model-year incentive program, lower sales and a six-day strike by the Canadian Auto Workers union, which forced the shutdown of some facilities in the United States as well.

PRODUCTION

U.S. CAR	Week Ended Oct. 10, 1987	Week Ended Oct. 11, 1986	Week Ended Oct. 3, 1987	Sept. Total	Jan. 1 to Oct. 10, 1987	Jan. 1 to Oct. 11, 1986
AMERICAN MOTORS	0	0	0	0	15,994	40,862
Renault Total	0	0	0	0	15,994	40,862
Alliance	0	0	0	0	15,994	37,515
Encore	0	0	0	0	0	3,347
CHRYSLER MOTORS	23,200	25,214	25,665	97,708	835,120	1,022,870
Plymouth Total	6,900	9,309	7,324	27,366	246,183	320,813
Horizon	800	3,397	833	1,680	35,610	133,530
Sundance	1,600	1,235	1,691	7,013	71,412	15,310
Reliant	3,700	3,174	3,800	15,083	97,454	122,274
Caravelle	500	1,028	720	2,624	36,372	34,836
Gran Fury	300	475	280	966	5,335	14,863
Chrysler Total	7,100	6,384	8,630	33,140	283,974	308,916
Laser	0	0	0	0	0	26,978
LeBaron K	900	1,095	915	4,090	53,610	70,146
LeBaron J	2,700	0	2,801	10,308	90,854	0
LeBaron GTS	600	1,126	819	3,427	30,986	52,603
N. Yorker E-Class	0	1,311	0	2,475	57,102	57,489
N. Yorker C-Class	0	0	1,054	2,389	3,089	0
Fifth Avenue	2,900	2,852	3,041	10,451	48,333	101,700
Dodge Total	9,200	9,521	9,711	37,202	304,963	393,141
Daytona	1,900	0	1,903	8,171	48,368	30,343
Omni	700	2,933	644	1,525	30,732	127,519
Shadow	1,700	1,368	1,843	7,795	74,090	14,244
Aries	3,300	2,864	3,362	12,706	89,253	94,886
Dodge 600	600	867	647	2,319	32,435	52,962
Dynasty	0	0	267	475	652	0
Lancer	500	843	478	2,065	19,382	40,213
Diplomat	500	646	567	2,146	10,051	32,974
FORD MOTOR	37,300	30,609	34,529	145,989	1,405,541	1,359,917
Ford Division	27,977	20,415	25,980	108,869	1,004,293	934,167
Escort	9,390	6,681	9,044	38,277	295,562	291,166
Mustang	4,600	0	4,607	20,693	166,280	145,597
Tempo	3,064	4,120	1,319	2,413	104,630	152,396
Taurus	6,712	9,254	7,016	34,647	315,996	240,010
Thunderbird	4,211	360	3,994	12,839	121,825	104,998
L-M Division	9,323	10,194	8,549	37,120	401,248	425,750
Mercury Total	5,171	5,485	4,457	19,887	260,172	288,295
Lynx	0	872	0	0	21,352	48,542
Capri	0	0	0	0	0	12,344
Topaz	868	1,310	450	820	34,372	45,040
Cougar	2,769	0	2,861	12,254	108,061	86,951
Sable	1,534	3,303	1,146	6,813	96,152	95,418
Lincoln Total	4,152	4,709	4,092	17,233	141,076	137,455
Continental	0	472	0	0	9,610	15,376
Lincoln	3,460	3,533	3,410	14,367	109,660	103,098
Mark VII	692	704	682	2,866	21,806	19,281
GENERAL MOTORS	76,121	86,556	68,744	276,399	2,685,630	3,237,559
Buick Total	12,260	16,033	12,018	51,111	439,792	604,490
Skyhawk	1,069	1,846	1,225	4,538	25,666	65,877
Century	1,710	3,711	1,987	7,795	124,337	178,277
Regal (rwd)	700	0	635	2,636	34,524	46,703
Somerset/Skylark	1,945	2,266	1,909	6,795	49,879	86,135
LeSabre (fwd)	4,220	5,002	4,721	19,721	117,800	123,018
LeSabre (rwd)	276	336	206	437	6,916	11,925
Electra (fwd)	1,934	2,624	1,916	8,064	70,677	72,678
Riviera	406	248	319	1,125	9,993	19,877
Cadillac Total	7,160	5,465	6,197	24,873	205,021	248,530
Cimarron	345	377	321	1,019	9,240	19,327
Allante	150	0	92	551	3,870	0
Brougham (rwd)	1,600	972	1,846	6,955	56,648	63,492
DeVille (fwd)	3,600	3,671	2,925	12,877	106,706	129,626
Eldorado	686	240	544	1,895	13,407	18,805
Seville	579	205	469	1,576	15,150	17,230
Chevrolet Total	30,754	31,290	27,935	105,524	1,049,689	1,013,604
Chevette	0	2,544	0	0	0	79,161
Camaro	2,550	3,219	2,244	9,600	95,552	140,878
Cavalier	8,127	9,068	6,402	20,353	237,886	315,769
Celebrity	5,111	8,534	4,865	18,777	234,819	191,183
Corsica/Beretta	8,040	591	8,261	34,938	258,989	1,633
Monte Carlo	1,719	1,094	1,725	7,157	56,740	90,454
Chevrolet	4,567	5,603	3,790	12,504	144,027	172,288
Corvette	640	637	648	2,195	21,676	22,238
Oldsmobile Total	12,212	14,619	10,742	46,110	478,831	762,901
Firenza	491	947	312	1,301	10,353	30,102
Calais	2,855	2,610	2,241	11,125	89,182	91,995
Cutlass Ciera	442	4,008	323	479	101,817	190,378
Cutlass Supreme	1,601	1,096	1,660	7,059	59,878	93,925
88 (fwd)	3,796	2,162	4,007	17,082	139,852	238,562
88 (rwd)	228	341	111	140	10,930	14,875
Olds 98	2,330	3,291	1,725	7,649	51,274	88,804
Toronado	469	164	363	1,275	11,937	14,260
Pontiac Total	13,735	19,149	11,852	48,781	512,297	608,034
Acadian*	0	363	0	0	0	12,476
Fiero	1,114	3,695	872	2,031	23,854	52,830
1000	0	822	0	0	0	14,166
Firebird	1,570	2,117	1,284	5,657	62,338	84,868
2000 Sunbird	2,151	2,465	1,429	4,872	67,201	108,323
Grand Am	4,800	6,825	5,037	20,116	192,431	175,479
6000	970	2,763	0	3,743	57,646	104,750
Bonneville	3,000	1,761	3,091	11,782	101,141	8,430
Safari/Parisienne	130	338	139	580	7,686	46,712
HONDA	6,375	6,097	6,057	25,320	250,012	166,234
Civic	530	1,224	415	625	71,734	4,712
Accord	5,845	4,873	5,642	24,695	178,278	161,522
MAZDA	163	0	136	493	656	0
NISSAN	1,210	2,634	2,296	10,845	99,979	33,504
NUMMI	3,400	3,000	3,522	14,214	151,974	152,688
Corolla	900	110	960	3,793	32,929	110
Nova	2,500	2,890	2,562	10,421	119,045	152,578
VOLKSWAGEN	1,200	1,823	1,267	1,216	46,456	64,645
Golf/GTI**	500	1,823	567	806	36,113	64,645
Jetta**	700	0	700	410	10,343	0
Total Cars, U.S.	148,969	155,933	142,216	572,184	5,491,362	6,078,279
Total Cars, Canada	20,266	23,830	16,321	65,316	587,887	806,421
U.S., Canada Cars	169,235	179,763	158,537	637,500	6,079,249	6,884,700
U.S., Canada Trks.	96,888	81,907	95,868	393,203	3,598,616	3,429,553
U.S., Canada Cars and Trucks	266,123	261,670	254,405	1,030,703	9,677,865	10,314,253

*—All Acadians are built for sale in Canada. **—Estimated.
Monthly estimates may contain error of one or two units due to rounding.

Quarter's output lowest since '82

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto production in the third quarter dropped to a five-year low.

The total of 1,339,881 cars for the three-month span was the lowest since the 1,215,347 built in the same period of 1982.

The quarter's output was 18.01 percent below last year's third quarter total of 1,634,205.

September's output of 572,184 was 38.64 percent more than the August total of 412,717 but 10.70 percent below the year-ago month's 640,760.

Last week's scheduled production of 148,969 was 4.75 percent more than the previous week's 142,216 but was down 4.47 percent from the year-ago week's 155,933.

So far this year, 5,491,362 cars have been assembled, a decrease of 9.66 percent from the 6,078,279 completed last year at this point.

Last week's targeted output was shared as follows: General Motors, 51.10 percent; Ford Motor Co., 25.04 percent; Chrysler Motors, 15.57 percent; Honda of America Manufacturing Inc., 4.28 percent; New United Motor Manufacturing Inc., 2.28 percent; Nissan Motor Manufacturing Co. U.S.A., 0.81 percent; Volkswagen of America, 0.81 percent; and Mazda Motor Manufacturing (U.S.A.) Corp., 0.11 percent.

About 1,600 workers at Volkswagen's Westmoreland, Pa., plant were temporarily laid off Oct. 2 because of a shortage of engine parts. The shortage lasted three days and production of the Golf/GTI and Jetta was resumed last Wednesday.

Chrysler's Belvidere, Ill., plant was idle last week because of a shortage of parts for its new Dodge Dynasty and Chrysler New Yorker models. The plant was slated to resume output today.

Ford scheduled daily overtime this week at all its plants except Edison, N.J.

Chrysler's Kenosha, Wis., and St. Louis (No. 2) plants were slated for overtime last Saturday. Those plants are scheduled for daily overtime this week.

Truck production zooms to 27-year high

Despite the drop in the third quarter auto production, U.S. truckmakers reported their highest output for that period in 27 years.

Third-quarter truck production of 903,660 was the best for that period since the 949,586 built in the third quarter of 1960.

The third-quarter total was 4.22 percent more than the 867,031 built in the comparable three months of 1986.

September's truck production of 328,658 was 9.87 percent above the August total of 299,145 and 1.41 percent more than the year-ago month's 324,086.

Truckmakers scheduled production of 78,895 units last week, 1.77 percent more than the previous week's 77,526 and 11.62 percent more than the year-ago week's 70,680.

Year-to-date, 2,968,927 trucks have been built, 6.52 percent more than the 2,787,164 assembled last year at this time.

General Motors slated overtime last Saturday at its Flint, Mich., plant.

Ford's Wayne, Mich., and Lorain, Ohio, plants were scheduled for overtime last Saturday.

Ford Motor Co. scheduled daily overtime this week at all its truck plants.

Car output dips, trucks rise in Canada

Canadian car production for the third quarter was the lowest for that period in six years.

Third-quarter output was 128,910. It hasn't been that low since 1981 when 101,167 cars were built.

Production in the third quarter was 32.54 percent below the year-ago period's 191,081.

Car output for September totaled 65,316, more than double the August figure of 27,411 when several plants were idle for model changeover. But September's build fell 21.97 percent from the year-ago month's 83,710.

Last week's targeted car output of 20,266 was 24.17 percent more than the previous week's 16,321 but 14.96 percent below the year-ago week's 23,830.

So far this year, 587,887 cars have been built, 27.10 percent below the year-ago's 806,421.

Third quarter truck output totaled 164,673, 2.45 percent more than the last year's 160,735.

Output of 64,545 trucks in September rose 10.85 percent from August's 58,229 and was up 5.92 percent from the year-ago month's 60,940.

Scheduled production of 17,993 trucks last week was 1.90 percent below the previous week's 18,342 but 60.27 percent more than the year-ago's 11,227.

Year-to-date, 629,689 units have been built, 1.98 percent below the year-ago's 642,389.

CANADIAN CAR	Week Ended Oct. 10, 1987	Week Ended Oct. 11, 1986	Week Ended Oct. 3, 1987	Sept. Total	Jan. 1 to Oct. 10, 1987	Jan. 1 to Oct. 11, 1986
CHRYSLER	80	102	114	462	4,260	3,210
FORD MOTOR	8,264	10,248	5,436	22,133	334,489	406,779
GENERAL MOTORS	11,297	13,255	10,131	40,181	230,182	388,722
HONDA	400	0	415	1,550	10,991	0
VOLVO	225	225	225	990	7,965	7,710
Total Cars, Canada	20,266	23,830	16,321	65,316	587,887	806,421

U.S. TRUCK☆	Week Ended Oct. 10, 1987	Week Ended Oct. 11, 1986	Week Ended Oct. 3, 1987	Sept. Total	Jan. 1 to Oct. 10, 1987	Jan. 1 to Oct. 11, 1986
CHEVROLET	16,035	22,856	16,275	80,558	902,145	927,978
DODGE	9,000	4,746	9,063	35,689	225,089	94,041
FORD	34,248	25,306	32,736	132,969	1,139,374	1,101,333
GMC	8,492	7,757	8,472	32,024	298,883	281,407
NAVISTAR	1,640	1,617	1,585	6,447	57,119	55,877
JEEP	4,600	4,416	4,611	19,353	173,882	145,353
NISSAN	2,130	1,632	2,034	8,968	67,675	89,319
AM GENERAL*	450	50	450	2,070	12,600	1,974
MISCELLANEOUS**	2,300	2,300	2,300	10,580	92,160	89,792
Total Trucks, U.S.	78,895	70,680	77,526	328,658	2,968,927	2,787,164

CANADIAN TRUCK	Week Ended Oct. 10, 1987	Week Ended Oct. 11, 1986	Week Ended Oct. 3, 1987	Sept. Total	Jan. 1 to Oct. 10, 1987	Jan. 1 to Oct. 11, 1986
JEEP	600	576	817	3,592	26,991	21,970
CHRYSLER	7,010	7,153	8,029	24,374	303,674	310,137
FORD	3,648	3,297	3,384	13,002	115,032	125,835
GENERAL MOTORS	6,510	0	5,905	22,627	176,525	177,127
NAVISTAR	225	201	207	950	7,467	7,320
Total Trks., Canada	17,993	11,227	18,342	64,545	629,689	642,389
U.S., Canada Trks.	96,888	81,907	95,868	393,203	3,598,616	3,429,553

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

EDS eyes satellite link to GM dealers

DALLAS — Electronic Data Systems Corp., General Motors' computer services subsidiary, has taken the first step to create a satellite communications network for GM dealers by signing an agreement with the Automotive Satellite Television Network.

The agreement, signed last week, gives EDS the exclusive right to offer ASTN programming to GM dealers. It also gives EDS "a substantial minority position" in ASTN, the Dallas-based satellite television network for dealers.

ASTN currently broadcasts six hours of training information, news and general information daily to more than 2,400 vehicle dealers in North America. The 900 GM dealers already in the ASTN network will have a second channel installed for programming tailored exclusively to GM dealers. In addition, EDS is investigating data communication capabilities.

Carl Westcott, ASTN founder, declined to say what percentage of his company EDS holds, but he said the equity position cost EDS $10 million. In addition, Westcott said that ASTN received between $50 million and $75 million for the five-year programming contract.

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Automotive News

October 19, 1987

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63rd year—$50.00 per year, $1.25 per copy

Luxury dealers in demand

Upscale imports battle for the best

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — The surge in new upscale, import automotive marques is setting up a scramble for top-flight dealers in key markets.

There are plenty of applicants for manufacturers to choose from, but the dealers the newcomers really want — well-capitalized, comfortable with affluent clients and with proven customer satisfaction records — are limited.

The biggest battle shaping up is between Honda's growing Acura Division and the startup efforts of Toyota's Lexus Division and Nissan's Infiniti Division, which together are projecting 1,000 dealers by the early 1990s. But the expansion of Austin Rover's Sterling dealer body and General Motors' efforts to set up Opel outlets by 1989 are adding to the crunch.

"Lexus and Acura are our two primary competitors," said William Bruce, head of Infiniti. "Many megadealers will choose one of the three. Others will have two or all three of us.

"A guy with one or two shops is more limited. He's the guy that will decide on one or another."

Acura, which expects to surpass 100,000 units in its second year of operation, is having no difficulty

see DEALERS, page 63

New Mitsubishi Galant sedan with active suspension will debut at Tokyo

TOKYO: *Opening of auto show finds makers adjusting to new era*

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Japanese automakers, preparing for the international invasion that will be created by the Tokyo auto show Oct. 29-Nov. 11, are coming to terms with their changed circumstances.

They have spent 1987 adjusting to the high yen and proving that, at least in the short term, they can live with it. But the long-term effects, at a time of increasing competition worldwide, may serve to reshape the industry by the early 1990s.

One thing is sure: There will be no let-up in new-product introductions in spite of the more straitened times. Mitsubishi will be among those showing fresh production cars at Tokyo, including all-new Mirage and Galant models bristling with high technology.

Behind the scenes, cost-cutting in Japan's auto factories has ranged from turning off restroom lights to redeploying line workers to new-car showrooms. The industry is as competitive as ever, and nowhere more so than at Toyota and Honda.

Toyota Motor Corp. is shaving back production by approximately 40,000 units due to a drop of more than 9 percent in sales in the United States in the January-August period.

Mitsubishi's other Tokyo newcomer is the Mirage

Domestic sales have increased 8 percent, but not enough to meet the expected drop in exports.

Tsutomu Ohshima, executive vice president, said Toyota anticipates reduced production for the second consecutive year. Sales in the U.S. market next year "are likely to be less," Ohshima said.

On the surface, the changes ma reflect the beginning of what Ohshima called "a new turning point for the automotive industry." Toyota's methods of dealing with the new circumstances reflect the company's overall strength.

Toyota is focusing on the domestic market, where it already has a 43 percent share and is believed to be aiming for 50. Previously, 70 per-

see SHOW, page 64

Dealers call mail rebates a mixed bag

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Direct-mail rebate programs aimed at selected consumers received mixed reactions from dealers across the country as General Motors and Chrysler Motors began mailing 33 million coupons to owners of their cars and competitive makes.

Some dealers said offering rebates to a small group of consumers could help otherwise soft sales and reverse a trend of declining owner loyalty.

Other dealers said the current direct-mail program is too narrow and that consumers not included may react negatively toward the dealer or manufacturer.

"The 1988 model year is a key opportunity (for domestic automakers) to take advantage of the fact that the Japanese will continue to raise prices. But the issue still remains, 'Is it (a direct-mail program) enough?' " said George Glassman, Glassman Oldsmobile, Southfield, Mich.

"I think it's the best idea in (showroom) traffic-building in a long time," said Jay Tittman, vice president of Longmont Chrysler-Dodge-Plymouth in Longmont, Colo. "The people who get these invitations are going to feel important. And, it returns emphasis to the new-car launch, instead of having the customers just think about year-end clearances."

Three weeks ago, Pontiac and Oldsmobile decided to offer direct-mail coupons worth $300 to $1,000 on 1987 and 1988 models.

Chrysler followed a week later with a similar program that offers a selected group of its owners and competitive-make owners rebates between $250 and $1,000 on a wide range of 1987 and 1988 Chrysler, Plymouth and Dodge vehicles.

see REBATES, page 68

Compacts pace truck surge

Sport-utilities, small vans hot items in '87 model year

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Compact trucks, led by small sport-utilities and small passenger vans, were the primary driving force behind the truck industry's sales gain during the 1987 model year.

For a change, the overall truck market also got a slight boost from rising medium- and heavy-truck sales.

Overall, the industry retailed 4,959,870 trucks in the 1987 model year, up 1.17 percent from 4,902,796 the prior year.

Compact trucks benefited not only from the crossover of car buyers, but also grew at the expense of full-sized, light-duty conventional models. Sales of full-sized light duties were off in all segments.

Compact trucks, including pickups, sport-utilities and minivans, accounted for 2,840,221 sales, or a 57.27 percent share of industry, up from 2,642,917, or a 53.91 percent share, in the previous model year.

Full-sized conventional light duties accounted for only 1,841,302 sales, or 37.12 percent of the market. That was off from 1,988,533, or 40.56 percent, the previous year.

Medium and heavy trucks inched up a bit with 278,347 sales, accounting for 5.61 percent of the industry total, compared with 271,346 or 5.53 percent of industry sales in the 1986 model year.

Within the large, growing compact segment, minivans barely edged out small sport-utilities. Each had nearly identical gains.

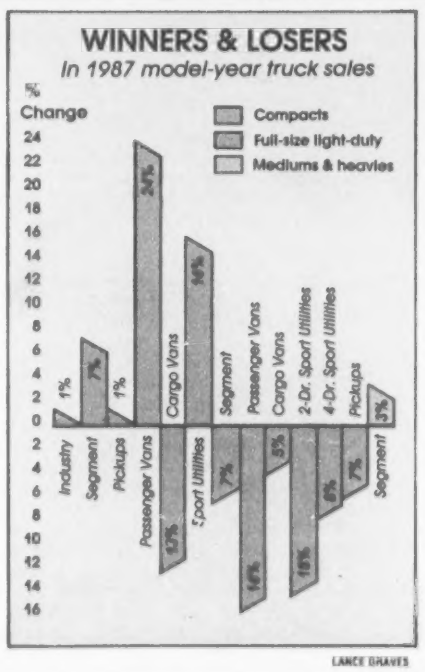
Manufacturers retailed 701,570 minivans vans, up 15.72 percent from 606,279 in the 1986 model year.

Within this small-van segment, passenger models accounted for 82.48 percent of the sales, while commercial cargo models accounted for the 17.52 percent balance.

Manufacturers like General Motors and Ford have been shifting their small-van production into passenger models — and away from commercial cargo vans — to satisfy consumer demand.

Compact passenger vans posted a huge 24.40 percent gain on sales of 578,650 units in the

see COMPACTS, page 68



Domestic sales plunge 39% in early October

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Early October car deliveries stalled out after a late-September attempt at recovery. Sales of U.S.-built cars dropped 39 percent from last year's equivalent 10 days when the market was driven by incentives.

Only Honda and Nissan could report that their U.S.-built car sales surged in the Oct. 1-10 period compared to a year ago.

The 10-day sales decline was not as drastic as last month's first-10-day domestic-car downslide of over 51 percent.

Unlike last year, most rebates ended Sept. 30 this year.

A few dealers reported that increased used-car sales helped offset slower new-car sales.

see SALES, page 68

NEWSPAPER
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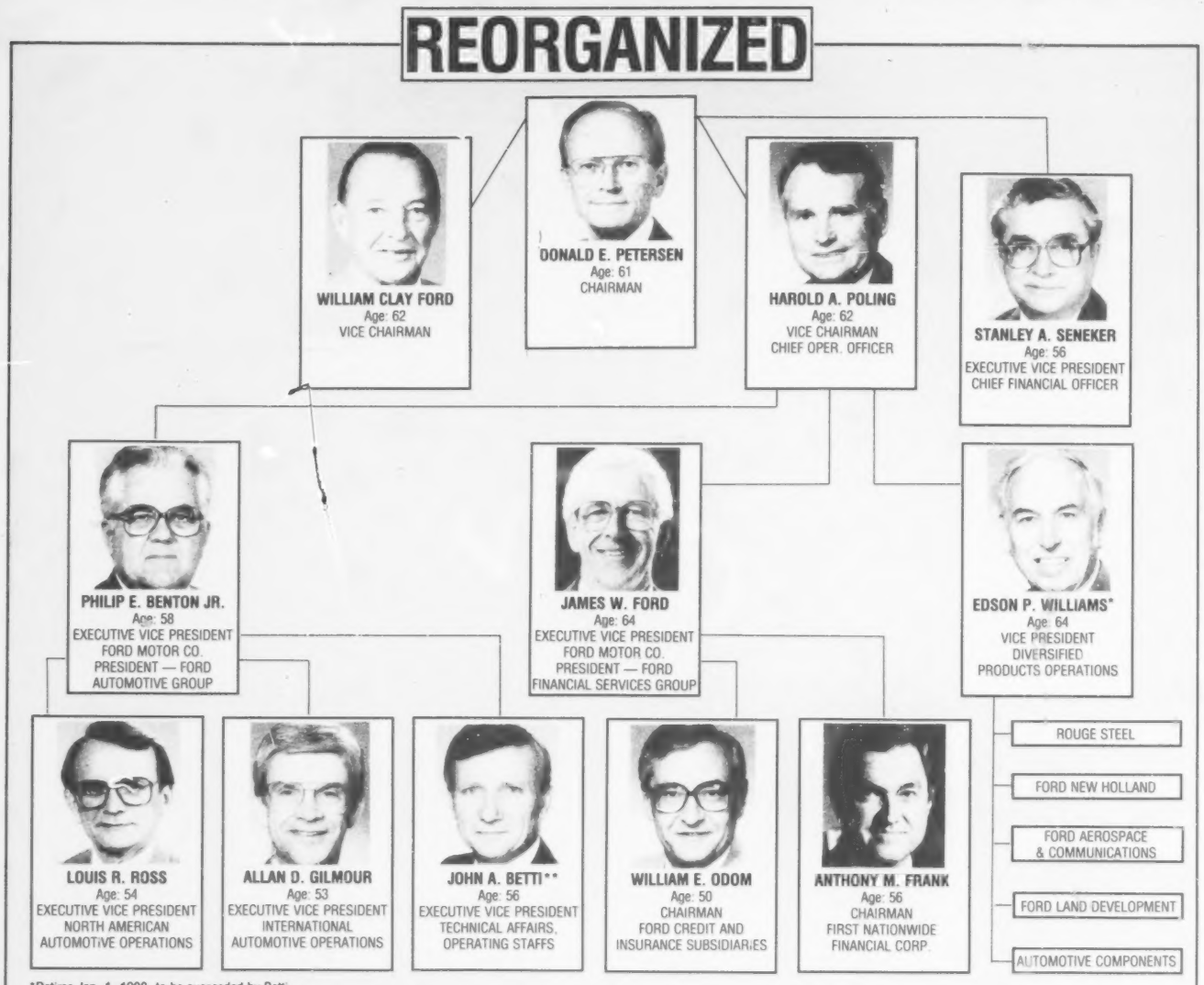

*Retires Jan. 1, 1988, to be succeeded by Betti.
**To be filled by Stuart M. Frey, 61, on Jan. 1, 1988. He will become vice president — technical affairs. Design, marketing, purchasing and supply staffs to report directly to Benton.

FORD SHAKEUP: *Top execs shifted as company aligns 3 main business groups*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Last week's management shuffle at Ford Motor Co. will allow the automaker to groom its future leaders while reshaping the corporate hierarchy to reflect the changing nature of Ford's business.

Most of Ford's key executives were repositioned. At the same time, the company aligned its three main business groups — automobiles, financial services and diversified products — under Harold A. Poling, who moves up from president to vice chairman.

Company officials said the appointments will help give executives the diverse background they will need to lead Ford. The announcements also served to confirm impressions of who has the best shot at succeeding Poling and Chairman Donald Petersen early next decade. Poling, 62, is set to retire in 1990 and Petersen, 61, a year later.

Among the apparent winners are executive vice presidents Philip E. Benton and John A. Betti. Benton picks up the title of president of the newly formed Ford automotive group and will oversee international and North American operations.

Benton's position is viewed as a key spot as Ford moves to integrate its engineering and product development activities worldwide. It also gives him the most prominent role in the corporation under Poling and Chairman Donald Petersen.

There is some doubt as to whether he would someday move into either of their seats, however. Benton turns 59 in December and is scheduled to retire just three years after Poling.

Betti, meanwhile, will become executive vice president in charge of diversified products operations on Jan. 1. The 56-year-old career-long automotive man will now get exposure to another segment of Ford's business.

Similarly, Allan D. Gilmour, 53, leaves his job as chief financial officer to fill Benton's position as head of international automotive operations.

On paper the move appears as a step down — Gilmour reported directly to Petersen and belonged to the four-member office of the chief executive. Yet there are strong feelings within Ford that the move simply affirms that Gilmour is destined to lead Ford someday. Now he will pick up exposure to the automotive and international sides of the business, which should complement his career in finance.

As industry analyst Jack Kirnan pointed out, Poling and Petersen have both worked overseas,

see FORD, page 63

Saturn pact different; 2,000 seek franchise

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Saturn Corp. this month will begin sorting through 2,000 applications — about the number it expected to receive from car dealers and others interested in its franchise.

The first dealer will be signed in February or March.

Meanwhile, Saturn has filed its franchise-offering circular with the Federal Trade Commission.

The franchise agreement is different from GM's other franchise agreements and those of other automakers in a number of ways.

Like the controversial new Jeep-Eagle franchise agreement, binding arbitration will be the final step in settling dealer-factory disputes. However, first the dispute must go before a mediation panel of an equal number of Saturn officials and dealers. The binding arbitration panel, too, is made up of both Saturn officials and dealers.

The National Automobile Dealers Association opposes the use of binding arbitration and has protested Chrysler Motors' inclusion of that requirement in its Jeep-Eagle franchise for former American Motors dealers. NADA said it is continuing efforts to get Saturn to change the provision. However, Saturn has informed NADA that it will not be changed.

"We're not trying to run roughshod over anybody's rights," said James Cubbin, Saturn general counsel. "We're trying to protect their rights, but do it in a way that is less expensive and more expeditious."

Saturn's plan to settle disputes came from the 15 dealers who helped write the franchise.

Dealers also will help write the rules for how mediation and arbitration are conducted. Matters will be settled within three to six months rather than three to five years in the court system, according to Saturn officials.

Saturn executives point out that the franchise will appeal to sophisticated, well-financed business persons. They will be aware of the dispute resolution process long before signing a franchise agreement.

The Saturn franchise agreements have no expiration date.

see SATURN, page 68

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Potamkin Cadillac sold; Penske to add lines

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Penske Corp. has acquired the Manhattan operations of Potamkin Cadillac and announced that new Chevrolet and Buick franchises would be added, creating a Penske Auto Center of New York.

Chairman Roger Penske said the two new franchises should open by year end, making Penske the largest General Motors dealer in Manhattan.

Roger Penske and Victor Potamkin signed the agreements last week.

The Penske Auto Center will operate at three leased facilities in Manhattan. GM plans to spend $8 million renovating the facilities; one will get a complete facelift.

The complex leasing arrangement took several months to complete. Under it, GM leases properties from Potamkin for 25 years at $3.1 million per year, adjusted for inflation, and then subleases them to Penske on a per-car-sold payment basis.

The Potamkin organization has over $1 billion in annual sales. It will continue to operate Chrysler Dodge, Plymouth, Sterling, Mitsubishi, Toyota and Volkswagen franchises in New York.

Penske's billion-dollar Retail Automotive Group sells over 30,000 vehicles a year. Penske's Longo Toyota in El Monte, Calif., is the world's largest Toyota dealership and Penske Cadillac is one of the nation's largest.

Penske plans to add Chevrolet and Buick and create Penske Auto Center

GM broadens component exchange for dealers

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

General Motors recently began several programs that allow dealers to exchange malfunctioning component assemblies for new units instead of repairing them.

These programs involve newly introduced components and will allow the company to gain early feedback on quality.

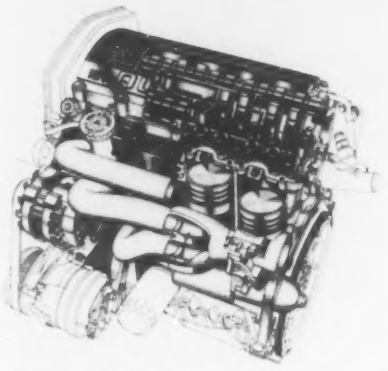
Included are the Quad 4 engine and ignition assembly in the Oldsmobile Calais; water pumps and serpentine belt tensioner bracket assemblies from the Quad 4 in the Oldsmobile Calais, Buick Skylark and Pontiac Grand Am; and the Borg-Warner five-speed manual transmission in the 1988 Chevrolet Camaro and Pontiac Firebird.

A GM spokesman also noted that the company has long had exchange programs for electronic "black box" assemblies.

"We want feedback from the beginning. Our goal is to have the most reliable, best product," said Donald Miles, chief engineer for the Quad 4 with Buick-Oldsmobile-Cadillac powertrain.

GM has conducted similar programs in the past, but Miles said "I think that on major components this is probably the most extensive exchange program we have had from the start."

Oldsmobile is the only division involved in the Quad 4 engine exchange, taking responsibility as the lead division for service on the powerplant, Miles said.



Oldsmobile Quad 4 engine

B-O-C doesn't anticipate any problems with the new engine, Miles emphasized. However, if problems develop, for example because of a supplier quality slippage, B-O-C wants to find out early, Miles said.

Among the problems for which GM will exchange a Quad 4 engine are cylinder block cracks; knocks as a result of problems with crankshaft or rod bearings or piston assemblies; low compression; and excessive oil consumption.

The Quad 4 features a distributorless integrated direct ignition system that also is covered by an Oldsmobile parts exchange program.

Although the system is used on other GM products, its packaging is different on the Quad 4.

"Our concern is the temperature environment. Temperature is harmful to the coils (that are mounted under an aluminum engine coverplate). We have been pleased to find that the cover serves as a heat sink," Miles said.

When a dealer finds a failure in an Oldsmobile, Buick or Pontiac Quad 4 water pump or tensioner belt, service bulletins ask dealers to return the failed part to B-O-C. These parts can be replaced from a dealer's parts inventory.

Another new product is the five-speed Borg-Warner manual transmission on 1988 Camaro and Firebird models.

Borg-Warner made significant changes in the transmission and the company "is trying to get earlier information on the product to be certain of its integrity," said Steve Zirkle, director of sales for the Borg-Warner Automotive, Transmission Systems Division.

The Borg-Warner exchange program is being conducted in cooperation with the Chevrolet-Pontiac-Canada Group of GM. Both Chevrolet and Pontiac have published service bulletins explaining the program to dealer technicians.

Borg-Warner, however, proposed the program and is absorbing the costs associated with it, Zirkle said.

It also makes Borg-Warner stand out in a market filled with tough competitors, all of whom are producing high-quality products, he said.

"It is tougher to find things you need to work on as you get better, but everyone is working at a high level and you need to differentiate yourself. This type of program gives us a better ability to do that," he added.

An exchange program, Zirkle said, can allow Borg-Warner to catch a problem in the system or in a new product before it reaches a large number of customers.

Borg-Warner has provided dealers with a list of instructions to determine if a transmission qualifies for the exchange program. Borg-Warner, Zirkle noted, might recommend a repair procedure in lieu of an exchange. In the event an exchange is deemed necessary, the dealer can receive a new transmission in one or two days.

Both the Borg-Warner transmission and Oldsmobile Quad 4 exchange programs are scheduled to run until GM and Borg-Warner are satisfied they have obtained the necessary information.

Service volume continues to rise

Shop business up for 3rd straight month, but rate of gain slips

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Automotive News Service Index showed a slight increase in August. It was the third straight month that the Service Index has climbed.

Service and parts business at new-car dealerships rose 0.8 percent over the August 1986 figure.

In July, the Service Index increased 6.1 percent, and in June it climbed 5.9 percent.

Shop business during the first eight months of 1987 was up 2.7 percent over the same period in 1986.

Dealers mentioned a variety of reasons for the slight increase in August.

A Ford dealer in the Northeast said business increased because of a change in management of the service department and a better overall attitude in the shop.

Also in that area of the country, a Saab dealer said business was up as a result of more major repairs than usual.

A Rocky Mountain Chevrolet dealer attributed his gain to an increase in new-car sales plus more service traffic from tourists. Motor home repairs contributed a great deal to his business.

SERVICE INDEX 100.8★

	August, '87 vs. August, '86	8 mos., '87 vs. 8 mos., '86
Gross Profit on All Labor and P&A Sales	+2.1%	+5.9%
Repair Orders Written	+0.2%	−2.3%
Total Labor Sales (Customer & Warranty)	+0.4%	+1.8%
Shop Parts Sales (Customer & Warranty)	− 2.9%	+2.9%
Sales of All P&A	+ 4.2%	+5.2%

★ Survey by Automotive News shows that dealers' service and parts business in August 1987 was 100.8 percent of business in August 1986. Service business in the first 8 months of 1987 was 102.7 percent of business in the corresponding period in 1986.

A Western Cadillac dealer said his service business declined as a result of less body shop work and fewer car sales for the year with less warranty work as a result.

Two dealers queried reported that their service business was about the same as in August 1986.

All indicators with the exception of shop parts sales (customer paid and warranty) were positive in August. Shop parts sales showed a 2.9 percent decline.

Sales of all parts and accessories led the August indicators of service business within dealerships with an increase of 4.2 percent. Gross profit on all labor, parts and accessories sales rose 2.1 percent; total labor sales (customer paid and warranty) climbed 0.4 percent; and repair orders written were up 0.2 percent.

Parts and accessories sales to off-premises customers climbed 10.6 percent in August.

Gross profit on all labor, parts and accessories sales showed the biggest gain of all in-shop indicators during the January-to-August period with an increase of 5.9 percent.

Sales of all parts and accessories were up 5.2 percent; shop parts sales increased 2.9 percent; and total labor sales climbed 1.8 percent.

Repair orders written fell 2.3 percent.

Parts and accessories sales to off-premises customers were up 6.7 percent for the first eight months of this year.

AUTOMOTIVE NEWS/ARTHUR FLAX

Super STAR tester and digital voltmeter are typical of modern service tools

Super STAR II helps technicians diagnose Ford engine problems

SHOP TALK

ARTHUR FLAX

Fixing a car these days requires a combination of old and new skills and technology.

One of the newest advances for Ford technicians is an inexpensive hand-held tester.

The Ford Rotunda Equipment department recently introduced a hand-held diagnostic tool called the Super STAR (self-test automatic readout) II. The Super STAR II is the latest update of its STAR and Super STAR testers.

The STAR testers read trouble codes stored in the Ford electronic engine control (EEC-IV) computer.

The first STAR cost about $130 and reads codes at the relaxed pace of one every several seconds. The Super STAR, introduced about a year ago, gathers those codes about 100 times faster, according to Shane H. Rachedi, project development engineer in the advanced service engineering department of the Ford Parts and Service Division. The technician can then play those codes back and forth at the push of a button.

The Super STAR was designed to be adaptable to future products, and the new Super STAR II includes the capability of working on the Ford Tracer and Mazda-built Ford Probe.

At about $170 for the Super STAR II or about $70 for an upgrade of the Super STAR to II status, each technician in the dealership can have one. The diagnostic abilities of the new tester also have been upgraded.

The Super STAR II can diagnose most electronic sensor malfunctions, according to Rachedi. For more difficult problems, Ford offers the EEC-IV Monitor and Recorder, at about $1,000, and is developing the Service Bay Diagnostic System, an advanced computerized diagnostic system that will carry a considerably higher price tag.

Even with modern technology, the technician must have mechanical skills.

Among the diagnostic procedures for the Super STAR are routines that require the technician to wiggle electronic connections or hammer on a manifold to activate a sensor.

Maserati boosts warranty to three years

Maserati has increased its new-car warranty from two years/24,000 miles to three years/36,000 miles.

The third year of the warranty will provide about 90 percent of the virtually complete car coverage of the first two years, according to Donald P. Morrissey, chief executive officer of Maserati Automobiles Inc., the North American importer and distributor. General Risk Management will administer the additional year of warranty, he said.

Maserati also is adding a customer-assistance plan that includes a towing service and trip interruption insurance service.

Maserati Automobiles also is adding a customer service manager.

"With the kind of product we are selling at the price we are selling it, we really have to have a way to communicate through our dealers to our customers that we are there to service them if there is any problem," Morrissey said.

The engines of older models, Morrissey admitted, were a bit temperamental as a result of a pressurized Weber carburetor and twin turbochargers. That, he said, has been corrected with the introduction of fuel injection on 1987 models.

Maserati technicians are trained at the company's service school in Baltimore. As new dealers are appointed, technicians from those dealerships are sent to the school.

The industry, however, has a universal problem in that it is difficult to find technicians who will stay at one dealership, Morrissey said.

Seasoned technicians have had a tendency to develop loyalties to low-volume makes such as Maserati and Ferrari, but it is difficult to develop that loyalty among newly trained mechanics, he said.

— Arthur Flax

September truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	57,451						57,451	55,828
	YR	537,876						537,876	430,141
JEEP	MO	16,306						16,306	23,417
	YR	150,024						150,024	147,462
TOYOTA	MO	25,275						25,275	32,352
	YR	238,023						238,023	292,526
NISSAN	MO	18,732						18,732	22,916
	YR	167,129						167,129	175,962
MAZDA	MO	8,261						8,261	18,430
	YR	100,701						100,701	118,438
ISUZU	MO	7,931						7,931	8,623
	YR	69,526						69,526	65,350
MITSUBISHI	MO	4,433						4,433	2,691
	YR	38,454						38,454	23,886
SUZUKI	MO	6,077						6,077	3,709
	YR	65,259						65,259	32,246
SUBARU	MO	85						85	570
	YR	1,203						1,203	3,015
RANGE ROVER	MO	248						248	0
	YR	1,549						1,549	0
FORD	MO	109,872			725	3,238	1,133	114,968	152,919
	YR	1,058,230			7,718	24,159	9,799	1,099,906	1,068,539
FREIGHTLINER	MO						2,220	2,220	1,412
	YR						17,438	17,438	12,649
CHEVROLET	MO	96,825		18	710	700	58	98,311	145,438
	YR	894,929		161	6,008	5,712	295	907,105	989,195
GMC	MO	24,264		550	752	1,317	563	27,446	37,767
	YR	232,841		4,410	5,965	16,694	6,101	266,011	271,873
KENWORTH	MO					22	1,224	1,246	932
	YR					88	10,499	10,587	7,506
MACK	MO				159	140	1,592	1,891	1,525
	YR				1,849	2,082	14,047	17,978	16,085
MERCEDES	MO				120	180		300	380
	YR				1,181	1,711		2,892	2,823
NAVISTAR	MO		21	33	1,003	3,115	2,293	6,465	6,728
	YR		136	292	8,203	24,286	20,749	53,693	53,010
*PETERBILT	MO					26	1,288	1,314	828
	YR					72	8,969	9,041	7,229
VOLVO	MO					89	774	863	1,135
	YR					1,200	7,791	8,991	9,121
HINO	MO			58	52	102		212	62
	YR			373	361	705		1,439	655
NISSAN DIESEL	MO			37	21	58		116	86
	YR			387	212	612		1,211	310
ISUZU TRUCK	MO	435		18	29			482	425
	YR	3,849		123	225			4,197	3,588
MITSUBISHI FUSO	MO	111			18	29		158	0
	YR	595			136	353		1,084	0
SCANIA	MO						15	15	0
	YR						118	118	0
IVECO TRUCKS	MO	110	99	59	15			283	0
	YR	942	507	516	96			2,061	0
WESTERN STAR	MO						118	118	0
	YR						1,043	1,043	0
OTHER DOMESTICS	MO				16		65	81	59
	YR				114		804	918	811
GRAND TOTAL	MO	376,416	120	773	3,620	9,016	11,343	401,288	517,332
	YR	3,561,130	643	6,262	32,095	77,674	97,653	3,775,457	3,732,420
1986 YR to DATE		3,534,583	0	4,048	33,879	77,348	82,562	3,732,420	

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.

U-Haul, Ryder fight; truckmakers benefit

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Competition between U-Haul and Ryder, the two largest truck-rental companies, is churning up a lot of sales for medium-duty truck manufacturers and giving rise to some uniquely configured vehicles.

U-Haul International, which is fighting to retain dominance in the moving-truck rental business, plans to buy 50,000 to 60,000 new trucks during the next five to six years.

By some accounts, U-Haul hasn't made any significant purchases of new vehicles since 1979. The average age of a unit in its fleet is reportedly close to 10 years.

Because of the age and Spartanism of its vehicles, the company has been losing market share to Ryder. Typically, its vehicles have lacked many of the luxury/comfort options that today's drivers are used to.

U-Haul has "gone for a lot of deluxe features" in the new trucks it is purchasing, a spokesman said, citing examples like AM/FM stereo and cloth seats.

U-Haul has given Navistar International a guarantee to buy "at least" 5,000 specially designed low-profile trucks, the U-Haul spokesman confirmed.

The new low-profile truck will have a special air suspension in the back. It will have a special valve control in the cab that makes the rear of the truck "kneel down" so a mover doesn't need a lift to load it.

The special control allows the vehicle to be loaded from ground level.

Other modifications include spring brackets that have been moved higher on the frame to get a lower profile.

The vehicle will be basically built off Navistar's S-series of medium-duty trucks.

A production version, or possibly just a mockup, will be shown at a press conference U-Haul is planning around Dec. 1, the spokesman said.

U-Haul has been talking to Ford and General Motors about other kinds of new vehicles, he added.

"We've worked with Ford quite extensively in the past, and we're also talking to GM," the spokesman said.

Officials haven't determined the exact mix of their vehicle purchases yet, the spokesman added.

Meanwhile, Ryder officials predict that they'll overtake U-Haul in the overall rental market by the end of this year.

Ryder bought nearly 27,000 new trucks for its consumer division in the past two years, including 8,700 so far this year, according to a spokesman.

Its average fleet age is less than two years, the spokesman said.

It has 35,000 trucks in its consumer fleet and 140,000 in its overall fleet operations.

Of the 8,700 trucks purchased in 1987, 5,400 are parcel vans with low, easy-load floors, the spokesman said, including trucks that have loading ramps.

Its trucks have amenities like air conditioning, power steering and radial tires. Most have automatic transmissions. The equipment was dictated by safety considerations as well as market demand, Ryder's spokesman said.

Ryder, like U-Haul, has special contract arrangements with some manufacturers to develop unique vehicles for it own use.

Like U-Haul, Ryder is developing a low-profile vehicle, in conjunction with Kenworth. It, however, is a heavier-duty truck, geared toward commercial shipping and delivery.

Ryder is working with a number of other original-equipment manufacturers, particularly suppliers, on various research projects for such things as new braking systems and electr ic "black-box" controls.

Typically, they include companies like Rockwell and Cummins.

Ryder also does a lot of primary research and testing with OE truck manufacturers.

In the past, it worked with Ford to spec out a new chassis that subsequently became a standard-use vehicle. More recently, it developed a low-profile trailer for Chrysler's Mopar parts distribution operation.

Most of its purchases have been Ford and GM vehicles, the spokesman concluded.

Private carriers called healthy despite decline in size of fleets

The National Private Trucking Association said private carriers are still a competitive force to be reckoned with, despite a falloff in their average fleet size.

The average fleet size of a private carrier has dropped by nearly a third during the past two years, according to Thomas L. Moore, executive director of the association.

Moorse said he didn't read into that figure a lessening of commitment to private carriage or even a contraction of private carriage.

He cited members who had cut the size of their private fleets but are still hauling more freight than before.

Private fleets are taking advantage of a number of operational freedoms obtained under economic deregulation to improve productivity and efficiency, Moore said.

For example, he noted that more than 40 percent of private fleets have obtained their common or contract carrier authority. Thirty-seven percent of private carriers are conducting compensated intercorporate hauling with a like number engaged in trip leasing.

The numbers are based on a readership survey by The Private Carrier, the National Private Trucking Association's monthly trade journal.

Moore said that, to date, single-source leasing — the ability to lease the driver and the equipment from the same source — has not caught fire. In fact, he said, only 12 percent of private fleets reported using that option, down from 19 percent two years ago. Moore said the decline is in inverse proportion to the rise of dedicated contract carriage.

September car sales drop 22% in Canada; trucks up 8%

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Sales of North American-built cars in Canada dropped sharply last month as dealers tried to clean out their 1987 models before the 1988s were introduced.

Canadian dealers delivered 47,160 North American-built cars, down 21.89 percent from 60,376 in September 1986. The Big 3 domestic manufacturers offered sales incentives to customers on selected 1987 cars and trucks.

For the first nine months of the calendar year, domestic makers sold 536,538 North American-built cars, down 7.43 percent from 579,575 in the first nine months of 1986.

Domestic truck sales in Canada — which have remained strong throughout the 1987 calendar year — showed a gain in September.

CANADA MARKET SHARES September 1987

Cars	
General Motors	49.70%
Ford Motor Co.	27.55%
Chrysler/AMC	19.25%
Volvo	.40%
Honda	3.10%
Trucks	
General Motors	39.56%
Ford Motor Co.	35.69%
Chrysler/Jeep	24.75%

Dealers sold 28,207 North American-built trucks, 7.98 percent more than the 26,123 sold in September 1986.

For the first nine months of the 1987 calendar year, domestic truckmakers sold 284,324 North American-built trucks, up 5.75 percent from 268,867 in the first nine months of 1986.

All five domestic manufacturers reported lower car sales in September than in the year-ago month.

For the third straight month, General Motors was the biggest loser in domestic car sales volume. GM dealers sold 23,438 North American-built cars, down 20.96 percent from 29,652 in September 1986. During September, GM offered $750 cash rebates or financing as low as 3.9 percent on selected cars and light trucks. Only cash rebates were offered in Ontario because of a provincial law that prohibits offering both.

Chrysler Motors sold 9,079 North American-built cars, down 38.75 percent from 14,824 in September 1986. Chrysler offered cash rebates of $500 to $1,500 on Chrysler, Dodge and Plymouth cars. No cut-rate financing was offered on those models.

Chrysler's September sales included 356 Renault Alliance and GTA models and 45 American Motors Eagle cars. AMC sold 733 Alliance and Encore models and 32 Eagles in September 1986. They are not included in Chrysler's 1986 figures. Chrysler Corp. acquired AMC on Aug. 5 and has incorporated the former AMC products into its new Jeep-Eagle Division.

In addition to financing as low as 3.9 percent, Chrysler offered rebates of $1,250 on Renault Medallions and $750 on Alliance and GTA models during September.

Ford Motor Co. reported that its dealers delivered 12,992 North American-built cars in September, down 13.01 percent from 14,935 a year ago. Ford offered its Canadian customers $750 cash rebates or financing as low as 3.9 percent on Escort, Taurus and Sable models. On Merkur XR4Ti, Ford offered $2,000 or the low financing. Only cash rebates were offered in Ontario.

CANADIAN SALES OF NORTH AMERICAN-BUILT VEHICLES

	Sept. 1987	Sept. 1986	Pct. Change	9 mos. 1987	9 mos. 1986	Pct. Change
CHRYSLER/AMC						
Cars	9,079	14,824	−38.75	108,353	120,440	−10.04
Trucks-Jeep	6,982	4,430	+57.61	58,582	45,375	−29.11
GM						
Cars	23,438	29,652	−20.96	271,912	302,311	−10.06
Trucks	11,158	10,690	+ 4.38	120,364	118,013	+ 1.99
FORD						
Cars	12,992	14,935	−13.01	145,421	147,886	− 1.97
Trucks	10,067	9,826	+ 2.46	105,378	94,999	+10.93
VOLVO						
Cars	188	200	− 6.00	1,831	2,051	−10.73
HONDA	1,463	—	—	9,021	—	—
TOTAL CAR	47,160	60,376	−21.89	536,538	579,575	− 7.43
TOTAL TRUCK	28,207	26,123	+ 7.98	284,324	268,867	+ 5.75

Sales of Canadian-built Volvos were off slightly. The Swedish maker sold 188, down 6 percent from 200 in September 1986.

Honda dealers sold 1,463 Canadian-built cars — all Accord models — in September. There is no year-ago comparison; Honda started production in its Alliston, Ontario, plant in November 1986.

GM, Ford and Chrysler set September truck sales records this year.

GM sold 11,158 domestic trucks last month, up 4.38 percent from 10,690 in September 1986. The previous September record was set in 1980 when the company sold 11,089 trucks.

Ford sold 10,067 domestic trucks in September, up 2.46 percent from 9,826 a year-ago, the previous peak for the month.

Chrysler sold 6,982 domestic trucks last month, up 57.61 from 4,430 a year ago, which was the previous record. Chrysler's truck sales this year included 5,104 Dodges and 1,878 Jeeps.

In addition to North American-built cars, GM sold 1,613 Suzuki-built Chevrolet Sprints, 1,340 Suzuki-built Pontiac Fireflys, 95 Isuzu built Chevrolet Spectrums, 89 Isuzu-built Pontiac Sunbursts and two Isuzu I-Marks.

Ford sold 889 Mercury Tracers, 29 Merkur Scorpios and 159 Merkur XR4Ti models. The Tracer is built in Taiwan; the Scorpio and XR4Ti are built in West Germany.

Chrysler sold 689 Mitsubishi cars and 16 Peugeot cars.

Honda sold 3,020 Japanese-built Honda cars, down 39.15 percent from 4,963 imported Hondas sold in September 1986. It also sold 583 Japanese-built Acura models this year; they were not imported in 1986.

Volvo sold 369 Swedish-built Volvo cars in September.

In the imported truck category, GM sold eight Isuzu Troopers and Chrysler sold 328 Mitsubishi trucks.

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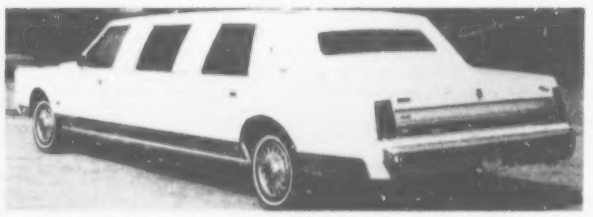

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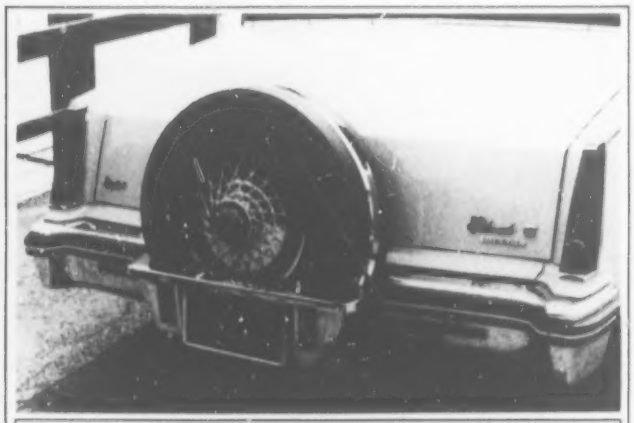

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Import stocks at 9-month low

Car-truck supply declines to 49 days from 52 on Sept. 1

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Imported car and light-truck inventories dropped to the lowest levels in nine months on Oct. 1.

That amounted to a 49-day supply, compared to 52 days on Sept. 1 and 39 days on Oct. 1, 1986.

October opened with 714,897 imported cars and light trucks in stock — at U.S. ports, in transit to dealerships and in stores — compared with 810,982 units on Sept. 1, down 18.36 percent.

The combined total of unsold imported vehicles was 30.35 percent higher than the year-ago stockpile of 548,455 units and was almost twice as high as the the Oct. 1, 1985, count of 365,205, which was equal to a 29-day supply.

Although September's domestic and imported car sales trailed last year's record September numbers, imported and U.S.-built-car inventories were both much slimmer on Oct. 1.

Imported-car stocks were the lowest since April 1. At the beginning of October, imported-car inventories declined to 547,966, for a 48-day supply, down 9.65 percent from last month's 606,500, a 51-day supply.

The Oct. 1 stockpile of domestically produced cars was the leanest in 12 months, equaling a 57-day supply. One year ago, inventories of U.S.-built cars were 35 days.

The slimmest car inventories were Honda's, which stood at 14 days for imported models and 11 days' worth of U.S.-built cars. Honda's domestic and import car inventories and day supply levels were higher than last month.

The company's inventory of upscale Acura models dropped and were equal to a 19-day supply compared to a 27-day supply last month and a 24-day supply a year ago.

Hyundai inventories dipped to 20 days' worth on Oct. 1, down from 29 days a month earlier.

Incentives and better sales in September diminished Subaru's stock to 59 days on Oct. 1 compared to a 90-day supply at the beginning of September.

The imported light-truck stockpile fell to the lowest number in 12 months. Oct. 1 inventories stood at 166,931 vehicles, a 53-day supply. That was down from last month's 204,482, a 56-day supply, but it was higher than last October's 156,731 light trucks, a 46-day supply.

Chrysler Motors' imported light-truck inventories were 54 percent lower than on Sept. 1. Chrysler and its dealers had a 39-day supply on Oct. 1 compared to 84 days' worth on Sept. 1.

The Oct. 1 inventory of imported cars by country of origin was shared as follows: Japan, 69.47 percent; Germany, 13.69 percent; and other countries: 16.84 percent.

On Sept. 1, the inventory shares by country were: Japan, 67.55 percent; Germany, 13.78 percent; and other countries, 18.67 percent.

Days' supplies by countries on Oct. 1 were: Japan, 49; Germany, 54; other countries, 40.

IMPORT DAYS' SUPPLIES

	Oct. 1, 1987	Sept. 1, 1987	Oct. 1, 1986
Chevrolet	90	110	41
Chrysler/Mitsubishi	82	80	58
Acura	19	27	24
Honda	14	11	9
Isuzu	68	54	96
Mazda	44	33	32
Mitsubishi	67	64	76
Nissan	83	92	40
Subaru	59	90	47
Toyota	24	21	21
JAPAN	49	51	34
Audi	47	83	86
BMW	61	60	57
Mercedes-Benz	48	52	27
Merkur	49	44	58
Porsche	58	96	32
VW	55	69	57
GERMANY	54	64	52
Alfa Romeo	103	65	31
Festiva	51	63	0
Hyundai	20	29	0
Jaguar	18	16	23
Peugeot	85	88	79
Pontiac	31	41	0
Eagle/Renault	279	237	21
Saab	46	46	27
Sterling	73	72	0
Volvo	43	44	29
Yugo	53	54	32
Other Countries	40	44	32
Total Import Cars	48	51	36
Isuzu	91	97	72
Mazda	49	29	26
Mitsubishi	63	80	98
Nissan*	74	88	55
Range Rover	20	31	0
Suzuki	32	19	21
Toyota	35	42	35
Chrysler	39	84	73
Total Imp. Trucks	53	58	46
Total Imp. Vehicles	49	52	36

*Includes domestic trucks

IMPORT SALES BY MODEL

	Sept. 1987	Sept. 1986	9 Mos. 1987	9 Mos. 1986
ACURA	10,112	6,531	80,267	29,291
Integra	4,753	3,290	42,531	16,197
Legend	5,359	3,241	37,736	13,094
ALFA ROMEO	449	989	5,024	5,890
GTV-6	3	65	60	501
Milano	251	579	2,052	1,647
Spider	195	345	2,912	3,742
AUDI	3,096	5,264	35,239	46,611
4000S	1,096	934	8,762	9,943
4000CS Quattro	543	363	2,683	2,941
5000S	520	2,930	15,574	24,372
5000CS Turbo	150	626	3,124	4,825
5000CS Turbo Quattro	469	209	3,522	2,293
Coupe GT	318	202	1,574	2,237
BMW	8,486	8,311	67,401	70,977
318i	0	11	15	885
524 TD	0	61	28	1,658
325	5,873	5,241	44,987	44,705
528e	716	1,450	7,256	10,107
535i/535iS	490	810	5,197	6,634
6-Series	316	192	1,597	2,048
7-Series	842	546	6,992	4,940
M3	150	0	570	0
M5	57	0	273	0
M6	42	0	486	0
CHEVROLET	15,814	23,087	103,637	128,934
Spectrum	8,112	18,018	60,243	77,571
Sprint	7,702	5,069	43,394	51,363
CHRYSLER/MITSUBISHI	11,023	16,048	97,609	103,381
Colt	7,419	12,019	63,307	73,369
Conquest	842	2,000	3,608	4,435
Vista	2,762	2,029	24,694	25,577
EAGLE/RENAULT	1,173	824	9,493	3,440
18i	0	562	0	2,048
Fuego	0	562	0	1,392
Medallion	1,173	0	9,493	0
FORD Festiva	5,885	0	16,414	0
HONDA	26,057	28,106	210,928	293,336
Civic/CRX	7,367	13,752	91,436	161,320
Accord	12,420	8,241	72,906	75,504
Prelude	8,270	6,113	46,586	56,511
HYUNDAI	21,099	20,192	205,477	112,967
ISUZU	3,424	3,000	30,603	24,664
I-Mark	2,798	2,100	25,250	15,202
Impulse	626	900	5,353	9,462
JAGUAR	2,192	2,063	16,340	17,388
XJ6	1,561	1,749	12,240	14,055
XJS	631	314	4,100	3,333
MASERATI	60	60	540	1,038
MAZDA	18,404	21,818	148,769	158,811
323	6,941	6,638	55,098	52,386
626	5,178	8,518	59,282	65,947
MX-6	2,817	0	3,221	0
929	623	0	710	0
RX-7	2,845	6,462	30,458	40,478
MERCEDES BENZ	7,796	8,734	67,799	66,997
190	1,448	1,889	13,908	15,246
260E	589	0	4,409	0
300	2,053	2,857	17,774	18,314
300SDL Turbo	526	1,034	5,336	3,953
420SEL	1,637	1,070	11,049	11,166
560SEL	452	769	4,498	6,709
560SL	933	865	8,752	8,291
560SEC	121	120	1,277	1,621
Tourist	37	136	796	1,697
MERKUR	2,268	1,601	11,805	11,919
XR4Ti	1,577	1,601	7,572	11,919
Scorpio	691	0	4,233	0
MITSUBISHI	5,411	4,035	52,893	36,008
Starion	338	460	4,274	4,151
Cordia	358	438	3,076	3,797
Tredia	425	661	4,262	7,366
Mirage	877	1,503	11,566	10,065
Galant	920	973	8,356	10,629
Precis	1,992	0	16,047	0
Van/Wagon	501	0	5,312	0
NISSAN	35,511	47,330	315,389	384,188
Sentra	6,303	17,099	84,362	130,271
Pulsar	6,151	4,342	51,098	36,145
Stanza	8,033	7,497	51,873	50,626
Maxima	10,004	10,232	72,550	87,084
200SX	2,424	2,933	25,649	35,065
300ZX	2,318	4,869	27,374	41,463
Hawaii	278	358	2,483	3,514
PEUGEOT	894	1,342	6,980	10,152
PONTIAC LeMans	8,135	0	26,948	0
PORSCHE	2,301	1,981	19,314	22,642
924S	446	316	2,551	1,993
944	788	430	5,273	7,527
944S	123	0	1,726	0
944 Turbo	233	553	2,035	5,417
911 Coupe	296	270	3,257	3,206
911 Turbo	139	43	1,200	1,058
911 Cabriolet	145	142	1,782	1,545
928S	129	222	1,490	1,896
SAAB	3,637	3,481	35,135	36,768
900	881	1,084	7,637	11,212
900S	1,264	1,074	11,520	11,375
900 Turbo	702	760	6,862	6,387
9000S	345	0	2,812	0
9000 Turbo	402	527	5,631	7,150
Tourist	43	36	673	644
STERLING	1,465	0	10,782	0
SUBARU	19,674	16,759	129,369	137,283
Hatchback	766	1,445	5,791	13,215
3-Door	1,484	1,464	10,676	8,561
4-Door Sedan	4,285	4,125	31,264	39,488
XT	1,555	2,247	14,621	18,770
Station Wagon	10,347	7,478	58,962	57,249
Justy	1,237	0	8,055	0
TOYOTA	47,002	45,439	404,606	448,691
Corolla	8,092	11,735	73,327	108,628
Tercel	7,900	4,629	70,626	51,816
Celica	7,326	7,695	60,914	79,651
Supra	2,991	2,531	22,902	23,133
Camry	14,673	9,003	128,541	105,432
Cressida	2,623	4,188	17,033	30,761
Land Cruiser	390	453	3,087	3,009
Van	1,049	2,055	10,610	15,100
4Runner SR 5	137	224	1,248	4,241
MR2	1,391	2,406	12,626	22,356
Hawaii	430	515	3,692	4,564
VOLKSWAGEN	10,850	10,674	98,985	112,797
Cabriolet	1,096	833	11,734	11,167
Jetta	2,980	7,029	41,364	75,040
Vanagon	1,296	980	8,321	9,530
Quantum	825	1,061	5,384	8,541
Scirocco	697	771	5,740	8,519
Fox	3,956	0	26,442	0
VOLVO	8,647	9,289	89,598	94,339
240 Series	3,176	4,393	42,394	45,884
740 Series	3,415	3,947	34,621	38,354
760 Series	1,896	808	10,937	8,317
780	116	0	330	0
Tourist	44	141	1,316	1,784
YUGO	3,891	4,513	39,162	23,545
IMPORT TOTAL	286,756	291,471	2,336,506	2,382,056

*Total includes tourist deliveries.

Compiled by Karen Dabkowski

UIS drops takeover bid for Walbro

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

UIS Inc., New York, has withdrawn its offer to purchase a majority of Walbro Corp.'s common stock and has dropped a lawsuit against the Cass City, Mich., maker of fuel-system components.

The two companies' managements signed agreements on Oct. 13 that benefit both companies, according to a UIS spokesman. UIS, which owns about 6.4 percent of Walbro's common shares, will become an exclusive aftermarket distributor of Walbro electric fuel pumps for three years. Walbro sells to original-equipment manufacturers.

UIS and Walbro also have agreed that Walbro will be able to buy back one-half of its common from UIS at $25.50 per share.

A year from now, UIS may sell Walbro its remaining shares at a per-share price of $25.50.

In early September, UIS, which owns seven auto supplier firms, made a hostile offer to buy approximately 60 percent of Walbro's 3.5 million outstanding common shares at $27.25 per share.

Walbro's management and some shareholders rejected the offer and agreed to hold on to a 30-percent interest in the company. To ensure independence, Walbro sold $35 million of a new issue of preferred stock to General Electric Credit Corp., New York.

UIS filed for a temporary restraining order in the Delaware Chancery Court to prevent Walbro from using the preferred stock proceeds for 20 days. Before last week's settlement, the order was granted.

In addition to resolving differences with UIS, Walbro has agreed to settle several shareholder lawsuits brought against the company in connection with Walbro's actions to stop the acquisition.

Mazda dedicates U.S. plant

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

FLAT ROCK, Mich. — The major problems for Japan as a nation and for Kenichi Yamamoto as president of Mazda Motor Corp., as described by him, have a familiar ring. They sound like problems expressed by American chief executives.

"My biggest concern and headache as president of Mazda is a result of appreciation of the yen in relation to the dollar. That has brought U.S. costs closer to Japanese costs and brings into focus the local-content situation," he said.

His remarks came at the formal dedication of the Mazda assembly plant here.

"This plant and local content exemplify the two biggest concerns in Japan today. They both are a result of the yen's appreciation. They are: How to survive and how to cope with the industrialization of Japan and the transfer of industry overseas with a resulting loss of jobs. It was in that context that Mazda launched its biggest project yet, the Flat Rock plant," Yamamoto said through an interpreter.

The executive said U.S. costs are very close to Japanese costs when the value of the yen is about 140 to 150 to the dollar. The rate currently is about 144 per dollar.

"This has meant we've had to look harder and harder for local content," Yamamoto said. The cars built at the plant are at a local-content point of about 50 percent. That figure is expected to rise to about 75 percent by the end of the current product cycle.

Another effect of the yen's high value was a boost in the cost of the Flat Rock assembly plant to about $550 million, $100 million more than was estimated, Yamamoto said.

AUTOMOTIVE NEWS/JOE WILSSENS

While performing a Japanese custom during the plant dedication, Nobuto, left, and Ron Shanks, a team leader, paint an eye on a Daromu Doll

The new facility went on stream Sept. 1 and is running at a rate of six Mazda MX6 cars an hour. The rate will rise to 53 an hour by the start of 1988 when the Ford Probe will be added to the plant's product line. A four-door Mazda 626 model will join the product mix later.

The projected normal, two-shift production rate of 240,000 cars per year is expected to be reached in September 1988, according to Osamu Nobuto, president of Mazda Motor Manufacturing (USA) Corp. With overtime, production can be increased to 300,000 annually. Ford's share of output is slated at 60 percent.

Flat Rock workers have voted to be represented by the UAW. Work on a contract will start in November or December with a conclusion expected early next year, said David Merchant, vice president of personnel.

"It appears the UAW is ready to embrace our type of philosophy," Nobuto said. "We met with UAW President Owen Bieber early on and are convinced of that."

On job security, he said "we have a letter of intent on the subject but, with us, job security is more a matter of mutual respect and confidence than of a contract."

The hourly wage rate at Flat Rock for assemblers is $10.98 an hour; skilled workers and maintenance people receive $12.92 per hour. Mazda officials said those wage rates are about 85 percent of the Big 3's rates and that the gap will be closed over three years.

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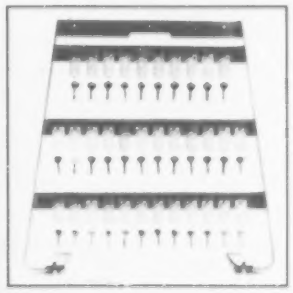

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Newspaper ad spending on autos up 34% in first half

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A flurry of incentives, new warranties and new makes and models boosted newspaper advertising spending for the nation's automotive manufacturers, dealers and dealer associations during the first half of 1987.

Automakers and their dealers spent $314.6 million on newspaper ads during the first half of this year, up 34.06 percent over the $234.6 million spent in the first half of 1986, according to the Newspaper Advertising Bureau. The figures do not include ads placed by automakers and dealers in national newspapers such as USA Today or The Wall Street Journal.

The expenditures for the first half of 1987 exceeded the $314.2 million spent by automakers and dealers in the entire 1984 calendar year.

Val Corradi, vice president of automotive marketing for the Newspaper Advertising Bureau in Birmingham, Mich., said factories and dealers used newspaper advertising extensively to promote new warranties and incentives.

"During the first half of 1987, there was a warranty war that certainly spawned a lot of factory promotion," Corradi said.

"Also, dealers and factories advertised incentive programs in what I call 'call-to-action ads,' " he said.

Newspaper advertising spending by new-car and truck manufacturers alone totaled $94.6 million, up 123.12 percent from $42.4 million in the first half of 1986. In addition to incentives and warranties, many manufacturers introduced new vehicles in the first half of 1987.

For instance, Chevrolet spent $12.9 million on newspaper advertising in the first half of 1987, up 344.39 percent from the $2.9 million it spent in the same period in 1986. The dramatic increase was due to the division's three new products — Chevrolet C/K pickup truck, Corsica and Beretta — introduced in the spring.

Chevrolet was in a tight race with Ford Division to become the top-selling domestic nameplate in the 1987 model year.

see NEWSPAPER, page 30

DOMESTIC CAR NEWSPAPER EXPENDITURES (First Half 1987, in thousands)

	Factory	Dealer Assn.	Local Dealer	Total
American Motors				
Multi Cars	$ 39	$ 506	$ 1,582	$ 2,127
Jeep	105	70	602	777
Renault	110	501	405	1,016
Total	254	1,077	2,589	3,920
CHRYSLER (CORPORATE)				
Multi Cars	5,433	—	825	6,258
Service	121	—	—	121
Total	5,554	—	825	6,379
Chrysler-Plymouth				
Multi Cars	4,488	891	6,863	12,242
Caravelle	—	—	—	—
Fifth Avenue	—	—	21	21
Horizon	—	—	13	13
LeBaron	266	—	109	375
New Yorker	—	—	18	18
Reliant	153	29	48	230
Sundance	—	—	13	13
Voyager	136	—	40	176
Total	5,043	920	7,125	13,088
Dodge				
Multi Cars	4,090	841	5,543	10,474
Aries	153	—	39	192
Caravan	96	—	19	115
Charger	—	—	10	10
Colt	100	—	16	116
Daytona	—	—	17	17
Lancer	—	—	13	13
Omni	—	—	14	14
Shadow	19	—	8	27
Total	4,458	841	5,679	10,978
Total Chrysler	**15,055**	**1,761**	**13,629**	**30,445**
FORD MOTOR CO.				
Corporate Multi Cars	190	—	508	698
Corporate Service	263	—	—	263
Total	453	—	508	961
Ford Division				
Multi Cars	10,412	7,077	15,208	32,697
Aerostar	—	—	228	228
Crown Victoria	—	—	—	—
Escort	179	183	—	362
Festiva	100	—	10	110
LTD	—	—	36	36
Mustang	—	—	67	67
Taurus	407	833	956	2,196
Tempo	240	—	68	308
Thunderbird	—	—	103	103
Total	11,339	8,093	16,676	36,107
Lincoln-Mercury				
Multi Cars	745	3,438	5,162	9,345
Continental	—	—	—	—
Cougar	62	244	250	556
Lynx	—	—	21	21
Mark VII	—	—	57	57
Marquis	—	—	146	146
Merkur	24	—	118	142
Sable	32	61	230	373
Topaz	—	—	45	45
Town Car	—	—	116	116
Tracer	524	—	25	549
Total	1,437	3,743	6,170	11,350
Total Ford	**13,228**	**11,836**	**23,354**	**48,418**
GENERAL MOTORS				
Buick				
Multi Cars	1,704	1,091	3,735	6,530
Century	—	47	97	144
Electra	—	—	19	19
LeSabre	—	246	87	333
Park Avenue	161	—	28	189
Regal	—	—	74	74
Riviera	—	—	85	85
Skyhawk	—	—	73	73
Skylark	—	—	15	15
Somerset Regal	—	—	9	9
Total	1,865	1,384	4,222	7,471
Cadillac				
Multi Cars	106	748	7,068	7,922
Allante	—	89	250	339
Cimarron	—	44	176	220
DeVille	305	106	716	1,127
Eldorado	—	—	106	106
Fleetwood	—	—	251	251
Seville	—	—	155	155
Total	411	987	8,722	10,120

	Factory	Dealer Assn.	Local Dealer	Total
Chevrolet				
Multi Cars	7,253	1,919	14,173	23,345
Beretta	931	43	53	1,027
Camaro	22	17	82	121
Caprice	132	—	21	153
Cavalier	393	16	61	470
Celebrity	297	33	100	430
Chevette	—	—	16	16
Corsica	2,463	—	42	2,505
Corvette	—	—	165	165
Monte Carlo	—	—	5	5
Nova	1,252	—	56	1,308
Spectrum	162	—	15	177
Sprint	—	—	41	41
Total	12,905	2,028	14,830	29,763
Oldsmobile				
Multi Cars	3,289	974	5,150	9,413
Aerotech	257	—	—	257
Calais	78	—	41	119
Ciera	47	—	23	70
Cutlass	646	953	412	2,011
Delta	—	192	65	257
Regency	185	—	51	236
Toronado	118	—	10	128
Total	4,620	2,119	5,752	12,491
Pontiac				
Multi Cars	822	126	3,155	4,103
Bonneville	101	—	58	159
Fiero	—	—	35	35
Firebird	—	—	18	18
Grand Am	91	—	160	251
Grand Prix	—	—	—	—
LeMans	51	97	24	172
6000	74	—	27	101
Sunbird	—	—	54	54
Trans Am	—	—	—	—
Total	1,139	223	3,531	4,893
General Motors (corporate)				
Corporate	243	—	264	507
Multi Cars	1,803	—	—	1,803
Service	118	—	—	118
Total	2,164	—	264	2,428
Total General Motors	**23,184**	**6,741**	**37,321**	**67,168**
Several Makes	—	702	45,615	46,317

IMPORT CAR NEWSPAPER EXPENDITURES (FIRST HALF 1987)

	Factory	Dealer Assn.	Local Dealer	Total
Imported Cars				
Acura	$ 2,085	$ 565	$ 3,259	$ 5,909
Alfa Romeo	1,227	—	1,038	2,255
Audi	1,757	560	777	3,094
Aston Martin	—	—	—	—
Bertone	—	—	19	19
BMW	6,471	1,068	2,149	9,688
Datsun/Nissan	2,804	521	7,182	10,507
Ferrari	—	—	5	5
Honda	1,021	436	5,548	7,005
Hyundai	242	38	6,156	6,436
Isuzu	975	25	708	1,708
Jaguar	3,751	293	2,163	6,207
Lotus	—	—	31	31
Mazda	3,861	1,145	2,461	7,467
Mercedes-Benz	8,261	—	3,326	11,587
Maserati	—	—	40	40
Mitsubishi	433	291	2,809	3,533
Multi Cars	65	20	8,465	8,550
Peugeot	605	—	453	1,058
Porsche	842	—	756	1,598
Range Rover	178	—	311	489
Rolls-Royce	—	—	62	62
Saab	1,490	—	756	2,246
Sterling	695	218	1,002	1,915
Subaru	1,389	1,270	2,169	4,828
Suzuki	97	—	1,133	1,230
Toyota	1,610	537	10,458	12,605
Volkswagen	2,150	1,318	1,199	4,667
Volvo	985	572	1,476	3,033
Yugo	—	—	474	474
Zimmer G-Spirit	—	—	41	41
Total Imported Cars	**42,984**	**6,877**	**66,426**	**118,287**

RECAP OF FIRST HALF 1987

	Factory	Dealer Assn.	Local Dealer	Total
Total Domestic	51,641	21,415	76,893	149,949
Total Several Makes	—	702	45,615	46,317
Total Imported Cars	42,984	6,877	66,426	118,287
Grand Total	**$94,625**	**$29,994**	**$188,934**	**$314,553**

Multi Cars—Advertisement of more than one model.

Toyota ads to stress quality in 30th anniversary year

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Toyota Motor Sales will celebrate its 30th anniversary in the U.S. market with an advertising campaign emphasizing what has made it successful — quality.

Facing what could be its toughest year, Toyota will retain its themeline, "Who could ask for anything more?" preceded by the line, "Toyota quality," in both television and print commercials. Toyota ads broke Oct. 1 in selected markets and national ads broke during the weekend of Oct. 3-5.

George Borst, corporate marketing manager for Toyota Motor Sales U.S.A., said 75 percent of Toyota's advertising budget will be spent on television, 20 percent will be spent on print and the remainder will go toward outdoor signs and radio advertising.

The thrust in Toyota's advertising will be on its volume cars — Tercel, Camry and Corolla. Borst said 75 percent of its car advertising spending will be given to those models. Toyota's total advertising budget has been estimated at $200 million.

"Those cars are 75 percent of our volume and with our new U.S. plants coming on line soon, we want to build a broad base of support before the anticipated volume of cars (from those plants)," Borst said.

Toyota is building a new plant in Georgetown, Ky., that will begin building the Camry in the spring of 1988. It also will build Corollas in its new Cambridge, Ontario, plant beginning in fall 1988.

In the Corolla television spots, the car appears on the screen in a movie theater, then drives through the screen down the aisle of the theater while the young audience gasps. The voiceover says: "Toyota Corolla — new for 1988. Dramatic new looks that will stun you. Performance that will surprise you, and value that is legendary."

Corolla's sheet-metal changes are also the subject of a novel pop-up ad created by 3Dmark Inc. and Eastman Kodak. Special three-dimensional cardboard glasses will be inserted in the Oct. 26 issues of Cosmopolitan, People and Time magazines. When looking through the glasses, viewers can see the redesigned Corolla with a San Francisco skyline in the background.

Other television spots for Toyota cars include a pitch for the Cressida by golfer Chi Chi Rodriguez and voiceovers in advertising for other car lines by actor Martin Sheen.

Print ads for Toyota cars will give each car its own personality while continuing to use the tagline, "Toyota Quality: Who could ask for anything more?"

Truck ads will feature golfer Lee Trevino as a spokesman. In one spot, Toyota asks truck buyers not to compromise by buying a cost-cutter truck, referring to rebates, cut-rate financing and price-leader vehicles from domestic truckmakers this year.

Each truck line also will receive its own personality in print ads.

Niche marketing efforts will be increased this year. Borst said Toyota will continue its sponsorship of college football game broadcasts and the "Toyota Leadership Award" for selected National Collegiate Athletic Association football contests.

Marketing efforts aimed at blacks and women also will play important roles in 1988. Spot magazine buys in women's magazines and sponsorship of several programs on Black Entertainment Television will provide the major thrusts for Toyota in those markets.

Toyota broke its first movie theater ad last week. The 90-second spot features a chase scene between a "good guy" driving several Toyota models and a "bad guy" driving "Brand X," according to Borst.

The company also will promote its "Toyota Touch" owners' assistance programs in television spots for the first time this year. Owners are encouraged to call (800) 331-4331 with complaints and compliments on their Toyota models.

NEWSPAPER

FROM PAGE 29

The new Chevrolet car and truck models were promoted heavily last spring in a bid to regain market share.

Lincoln Mercury Division — which introduced its Mercury Tracer and Merkur Scorpio last spring — spent $1.4 million on factory advertising in newspapers in the first half of 1987, up 110 percent from $666,000 during the same period a year ago.

Domestic manufacturers and their dealers spent $149.9 million on newspaper ads in the first half, up 24 percent from $120.5 million in the same period last year. Importers and their dealers spent $118.3 million on newspaper ads during the period, up 54.9 percent from $76.4 million a year earlier.

In addition, the Newspaper Advertising Bureau includes a "several makes" category, which consists of multi-make ads by dealers. The total was $46.3 million in the first half of this year, up 22.5 percent over $37.8 million in the 1986 period.

Ford Division and its dealers outspent all other domestic and import nameplates in newspaper advertising during the period. Toyota and its dealers were the top spenders in newspapers in the import category.

Corradi predicted even stronger gains in newspaper spending during the second half of 1987 because of the advertising dollars spent for the year-end cleanup programs offered by all of the domestic manufacturers and many importers.

The increases in factory advertising by the domestic makers allowed individual dealers to cut back their newspaper advertising budgets. Domestic dealers spent $76.9 million on newspaper ads in the first half of 1987, off 12.09 percent from $87.5 million in the first half of 1986.

Ford Division dealers topped all other dealers in newspaper advertising during the first half of this year with $16.7 million.

Dealer associations spent $31 million on newspaper ads in the first half of 1987, up 31 percent from $23.7 million during the same period in 1986. Corradi said part of the increase was due to the influx of dealer associations formed by dealers handling new import makes. The dealer association totals are included in the manufacturer-dealer totals.

Total newspaper advertising for trucks — including factory, dealer and dealer association spending — totaled $19.9 million in the first half of this year, up 51.8 percent from the $13.1 million spent in that medium in the 1986 period.

Chevrolet spent more than any other nameplate on newspaper ads for trucks. The division and its dealers spent $7.3 million, up 329 percent from $1.7 million during the year-ago period.

DOMESTIC AND IMPORT TRUCK ADVERTISING IN NEWSPAPERS (in thousands)

	Jan.-June 1987	Jan.-June 1986	$ Change	% Percent
Chevy				
Blazer	$ 14	$ 203		
Multi Trucks	915	343		
Heavy Duty	20	9		
Pickup	6,012	573		
Van	363	551		
	7,324	1,679	+$5,645	336
Datsun/Nissan				
Multi Trucks	68	56		
Heavy Duty	7	75		
Pickup	381	1,898		
Van	19	N.A.		
	475	2,029	– 1,554	– 77
Dodge				
Multi Trucks	436	231		
Pickup	761	146		
Van	432	249		
	1,631	626	+ 1,005	161
Ford				
Multi Trucks	2,901	632		
Heavy Duty	44	79		
Pickup	3,259	1,101		
Van	362	240		
	6,566	2,052	+ 4,514	220
GMC				
Multi Trucks	601	713		
Heavy Duty	17	46		
Pickup	688	157		
Van	237	96		
	1,543	1,012	+ 531	52
Isuzu				
Multi Trucks	6	36		
Pickup	284	422		
Heavy Duty	122	147		
Van	82	10		
	494	615	– 121	– 20
Iveco				
Heavy Duty	66	71	– 5	– 7
Mack				
Heavy Duty	N.A.	17	N.A.	N.A.
Mazda				
Multi Trucks	4	N.A.		
Pickup	98	371		
	102	371	– 269	– 73
Mercedes-Benz				
Heavy Duty	7	N.A.	N.A.	N.A.
Mitsubishi				
Heavy Duty	23	N.A.		
Pickup	174	867		
Van	52	11*		
	249	878	– 629	– 72
Toyota				
Multi Trucks	239	567		
Pickup	919	2,222		
Van	58	90		
Heavy Duty	5	N.A.		
	1,221	2,879	– 1,658	– 58
VW				
Van	171	320	– 149	– 47
Volvo				
Heavy Duty	6	N.A.	N.A.	N.A.
	$19,865	$13,079	$6,776	51.8

Source: Media Records, projected to 125 markets
*—Listed as Multi Trucks for 1986 period
N.A.—Not available
Multi Trucks—Advertisement of more than one model

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AUCTION DATES

American Motors

Oct. 20 — D-A Auto Auction, New Stanton, Pa.

Oct. 21 — Minneapolis Auto Auction, Plymouth, Minn.; Kansas City Auto Auction, Kansas City, Mo.; and Northeast Auto Dealers, Newburgh, N.Y.

Oct. 22 — Greater Chicago Auto Auction, Chicago, and Wolfe's Evansville Auto Auction, Evansville, Ind.

Oct. 23 — St. Louis Auto Auction, St. Louis

Oct. 27 — Statesville Auto Auction, Statesville, N.C.

Oct. 28 — Columbus Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Oct. 29 — Corry Auto Auction, Corry, Pa.

Chrysler Motors

Oct. 20 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Hatfield Auto Auction, Hatfield, Pa.

Oct. 21 — A.D.E. of Birmingham, Birmingham, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Oct. 22 — Fredericksburg Auto Auction, Fredericksburg, Va.

Oct. 23 — St. Louis Auto Auction, St. Louis

Oct. 27 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Oct. 28 — Southwest Auto Auction, Phoenix, Ariz; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Oct. 29 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

Oct. 21 — Columbus Fair Auto Auction, Obetz, Ohio; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City

Oct. 22 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; and Skyline Auto Exchange, Fairfield, N.J.

Oct. 27 — South Seattle Auto Auction, Kent, Wash.

Oct. 28 — Northway Auto Auction, Clifton Park. N.Y., and Clanton's Auto Auction, Darlington, S.C.

Oct. 29 — Houston Predelivery Center, Houston; Bay Cities Auto Auction Inc., Hayward, Calif., and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

Oct. 20 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Oct. 21 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Omaha Auto Auction, Omaha, Neb.

Oct. 22 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Used Car Sales
Auction Averages

Oct. to date	$6,010
Month ago	$6,050
Year ago	$5,196

Model Breakdown
Auction Averages

	OCT 1987	SEP 1987	AUG 1987
1987	$11,307	$11,357	$11,726
1986	$8,749	$8,808	$8,934
1985	$7,293	$7,321	$7,385
1984	$5,736	$5,764	$5,754
1983	$4,924	$4,940	$5,016
1982	$3,576	$3,607	$3,648
1981	$2,557	$2,583	$2,632
1980	$2,032	$2,044	$2,072
Overall Average	$6,010	$6,043	$6,070

High DeLorean price surprises auctioneer

LONDON — A DeLorean sports car has been sold at an antique auction here for the equivalent of $24,000. It was expected to bring about $19,300.

"It was probably because it was one of the earliest DeLoreans and as such it was something of a rarity," said a Phillips auctioneer.

He added that it was probably the "youngest antique" the firm had ever sold. It had only 270 miles on the odometer.

Built in 1981, the car was given to a noise-testing consulting firm and dry stored after the collapse of the DeLorean carmaking operation in 1982.

Auctions slap NHTSA title rule

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Rules proposed by NHTSA requiring that vehicle titles be present at the time of transfer of ownership and that full odometer disclosure be required on the title have come under fire from the National Auto Auction Association.

NHTSA and the 172-member association are at loggerheads over the impact of the proposed rules and particularly at what point the sale of a vehicle takes place. Is it when the gavel falls or later when the title is released by a financial institution?

The association argues that the new rules mean the title has to be present at the time of sale. NHTSA officials are waffling, saying the proposed rules say "transfer of ownership" and the states must decide.

If dealers have to bring vehicle titles to the auction to sell vehicles, sales will be affected, auction managers say, because many dealers who finance cars don't have the titles in their possession — the titles are held by the financing institution.

"It will create havoc in the industry and surely put a lot of smaller dealers out of business," said Warren V. Young, chairman of the association's legislative committee.

He said the auction association supports the Truth in Mileage Act and its intent to increase penalties for odometer tampering and to encourage stronger enforcement of the odometer law.

But he said that under the proposed rules, vehicle sales could be hurt, and financial institutions may elect to reduce drastically their participation in automobile financing if they have to produce titles before loans are paid.

"Most banks and finance companies require that the lien be recorded on the title to be protected and that they retain the title in their files until the lien has been paid, at which time they will release it," Young said.

He said that in order to comply with the proposed rules, financial institutions would have to be willing to give up possession of the titles before being paid. He said he believes that is unlikely.

Young, who is president of Manheim Auction Inc., contended that the act does not require the title to be present at the initial sales transaction nor does it say that sellers are not complying by providing the traditional mileage disclosure statement at the time of the sale as long as the title also contains the same mileage information when it is delivered.

He said requiring the title to be present will hurt all sales made on weekends or after 5 p.m. when banks, finance companies and dealership offices are closed, making it impossible to have the title present.

NHTSA has misinterpreted the intent the act if it requires that titles be present at the time of sale, Young said.

"We submit that the most effective solution is to comply with the original intention of the regulations in continuing to require that odometer disclosure statements be executed by both buyer and seller, and that the same mileage on the disclosure statement be included on the title and all title reassignments," he said.

But a NHTSA spokesman disagreed. "We have never said the title has to be present at the time of the sale," he said. "The proposed regulation says that at the time of the transfer of ownership, the odometer disclosure must be executed."

The act is very clear that the mileage disclosure should appear on the face of the title and not on a separate statement, he said. He added that it is up to the states to decide what "transfer of ownership" means and when it takes place.

Congress passed the Truth in Mileage Act last October to create a paper trail of true mileage on used vehicles for consumers by establishing uniformity among states in odometer disclosure and titling.

The new law changed odometer tampering from a misdemeanor to a felony and increased the criminal penalty from a maximum one-year jail term to a maximum three-year term. It also increased the civil penalty from $1,000 to $2,000 per vehicle for those convicted of odometer spinning.

NHTSA rules to implement the act should be approved by December. States will have until April 1989 to comply by changing their titles to conform with the requirements of the act.

The new law means consumers will not only know the true mileage of the vehicle but also its previous owners and whether it is a trade-in or a fleet vehicle purchased at an auction.

GE GROWS: *Adds 2 auctions; now owns 15 in bout with Anglo, Manheim*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

GE Credit Corp. has added two new auctions to its portfolio with the acquisitions of St. Pete Auto Auction in Clearwater, Fla., and Clanton's Auto Auction in Darlington, S.C.

Industry sources say GE paid about $37 million for the package, setting a record for the price paid in a single deal for auctions. A source at GE said he believed that figure sounded high by roughly 25 percent.

The auctions were owned by J.C. Clanton Jr. and Ray Clanton Sr., who will continue in management roles at Clanton's Auto Auction in Darlington.

GE's purchase on Dec. 31 — to take advantage of capital gains — of the Los Angeles Dealer Auto Auction and the Southern California Auto Auction are said to have involved $22 million and $30 million, respectively.

The most recent purchase by GE, which further reflects the continuing consolidation of the auction business, will fuel the already heated competition among GE; Anglo American Auto Auctions Inc., which now owns 20 auctions; and Manheim's 17 auctions.

Clanton's was the largest independent auto auction in the nation.

GE has been on the acquisition trail since it entered the auction business two years ago. It now owns 15 auctions throughout the nation.

Industry sources say the company is still on the prowl and has struck a deal with Ohio Auto Auctions Inc. in Columbus, Ohio, and is nosing around Detroit for property to build a greenfield operation to compete with Anglo's APTCO Auto Auction.

GE has doubled its annual sales volume from 300,000 to 600,000 vehicles per year.

"We've quickly become a major force in an industry that sells over four million cars annually," said Mike Zafirovski, president and general manager of GE Credit Auto Auctions, a subsidiary of GE Credit Corp. "In fact, we plan to contribute one million cars and trucks to that total by 1989."

The purchase of the St. Pete Auto Auction marks GE Credit's entry into the Florida market. Sources said the company will sink more than $1 million into improving and expanding facilities there to compete with the three Manheim auctions in Orlando and Lakeland, Fla.

GE has shown a propensity toward purchasing auctions then sparing no expense to upgrade them as it did with the Denver Auto Auction, which it acquired in December 1985, and the Newburgh Auto Auction, Newburgh, N.Y., which it purchased earlier this year.

AUCTION DIRECTORY

TEXAS

Auctions Unlimited, 2260 East I-30, Rockwall, Texas 75087. Dallas-Ft. Worth area. Sales every Monday & Wednesday 7 PM. 214-722-9495.

TEXAS

San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

TEXAS

"Texas Tuesday Tradition"
BIG H AUTO AUCTION
14450 West Road, Houston TX 77041
Five Selling Lanes
Every Tuesday 10:00 AM
Full Fleet/Lease Service
Airport Pickup
Call The Help Hotline For Information
Houston (713) 890-4300
A Manheim Auction

TEXAS

DEALERS AUTO AUCTION
Dallas County, Texas 214-642-3900
Sale Every Tuesday, 11 A.M.
Full service auction. Fleet & Lease. 400 repossessions selling weekly. 4 Lanes. Ford Motor Credit. General Electric. Chrysler Credit. Citicorp Acceptance Corp. Nissan Credit. Toyota Credit. Valley Bank. Banks & Financing Companies, etc.
Contact **Donny Gibson** or **Grady Gibson**
Member of NAAA & WAAA

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

Auction leaders see more Big 3 action

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

COLUMBUS, Ohio — Nearly 800 persons, including representatives of the Big 3 automakers and executives of more than 175 independent and chain-owned auctions in the United States and Canada, attended the National Auto Auction Association convention here to exchange views and keep abreast of events in the fast-paced business.

"Business has been very good this year," said 1988 NAAA President Jim Wheatley, manager of the Harrisonburg (Va.) Auto Auction.

"Ford, General Motors and Chrysler are expected to sell more cars through auctions in the coming year. We expect sales to exceed 4 million vehicles in 1988."

Association members expressed concern over the NHTSA proposed rules for implementation of the odometer law and proposed legislation by lawmakers in Ohio and Virginia requiring out-of-state dealers to buy dealer licenses in their states to sell vehicles.

Next year is the 50th anniversary of the first car sold at an auction in the United States. Roughly 30 cars were sold at that first auction, at Rawls Auto Auction Sales, Leesville, S.C.

Plans are under way by the association to celebrate the advent of the car auction at the NAAA convention next year. It will include invitations to past presidents and NAAA Hall of Fame members.

J. Omar Landis, manager of Garden Spot Auto Auction in Ephrata, Pa., was elected vice president of the association. New directors elected at the convention are: Jake Hershey, Pennsylvania Auto Dealers Exchange, York, Pa.; Joe Greco, Florida Auto Auction of Orlando, Orlando, Fla.; Stuart J. Frankenthal, Louisville Auto Auction, Louisville, Ind.; and Curt Hakanson, Tri-State Auto Auction, West Fargo, N.D.

REBATES

FROM PAGE 1

As of last Friday, Ford Motor Co. was continuing to look at direct-mail programs and other alternatives to traditional cash rebates and low-interest financing.

Some Ford dealers contacted last week expressed concern that Ford customers may be offered coupons by GM and Chrysler and not by Ford.

"I want to retain the competitive relationship I have with GM and Chrysler dealers. If direct-mail incentives work for them, I want them," said Walter Douglas, president of Avis Ford, Southfield, Mich.

Although it is doubtful direct-mail programs will replace traditional incentives offered to all customers, manufacturers say they are trying to come up with new twists to low-interest financing and rebate programs, which are growing stale.

"What we saw in the September sales results (with 1.9 APR financing and generous cash rebates) was consumers saying, 'Aw, gee, I'm not going to buy now, they'll have a deal when I'm ready to buy,' " said Chrysler Motors Chairman Gerald Greenwald. "We'll see how this works."

Domestic-car sales were off 34 percent in September from September 1986. Chrysler domestic-car sales slid 48 percent during the month.

GM Chairman Roger B. Smith told a group of businessmen in Chicago last week that GM would not instigate the next round of low-interest incentives and rebates. He said GM dealers want to get back to selling products and not incentives.

Both Greenwald and officials from GM say rebate offers mailed to owners of their cars have been successful in the past. Chrysler offered direct-mail rebates to Chrysler owners and employees under its "Thank you America" program that ran from Feb. 11 until June 6, 1985.

A similar program was repeated a year later when Chrysler offered its "Thank You America, Again" rebate program between Feb. 20 and May 10, 1986.

GM experimented with direct-mail rebates earlier in the year in four test markets. All divisions were included in the program, which ran from May 20 until July 31 in Minneapolis, Cincinnati, Denver and Tampa, Fla. The program — called "Owners First" — offered two million GM owners in those cities rebates of $200 to $1,500 on almost all GM vehicles.

The program was so successful that Buick and Oldsmobile launched a nationwide direct-mail program on July 16.

The Buick program offered three million Buick owners and competitive make owners rebates between $300 and $500 on selected models. The Oldsmobile program offered an unspecified number of owners and competitive make owners rebates of $300 to $500 or reduced financing rates on selected models. The program ended Sept. 30.

But while the GM rebate programs generated sales, some dealers reported problems, including late payments by GM to cover the value of the certificates.

One Chevrolet dealer who participated in the "Owners First" program said his dealership had to wait several months to receive $47,000 to cover the rebates used as down payments.

A Buick dealer in the Tampa, Fla., area said his dealership covered $120,000 in rebate money for several months until he was paid by the factory. Some customers who chose to receive the cash rebate directly from the factory waited four to five months for their checks, dealers said.

GM dealers reporting problems were told that the corporation was not prepared to handle the large volume of responses. Administration of the program — validating certificates and handling complaints — was later given to divisional personnel, some of whom were not familiar with the program, according to dealers participating in the program.

Subaru, Peugeot add incentives for dealers; BMW extends 6.9%

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Subaru of America and Peugeot Motors of America have launched dealer incentive programs, and Subaru and BMW of North America have extended their customer incentive offers.

Subaru of America has extended its program of up to $1,500 in rebates and 3.9 percent financing rates to Dec. 31.

While the program remains essentially the same as when it began earlier this year, a Subaru spokesman said regional adjustments are being made by distributors. Under terms of the program, at least one car in the lineup must carry a $1,500 rebate and DL sedans and wagons must carry an $800 rebate. Incentive money is contributed by Subaru of America, the distributors and dealers.

Subaru added cash incentives for dealers. The program began earlier this month and runs to Jan. 8. Incentives are based on a dealer's performance against sales objectives. After a dealer reaches 80 percent of his goal, he will receive $400 per car. The payment goes up to $1,200 per car for those reaching 115 percent of the objective.

In addition, there is a Fast Start Bonus of $200 per car for those reaching 40 percent of their objective within the first month. Subaru had a 59-day supply of cars Oct. 1 compared with 90 days Sept. 1.

Peugeot Motors of America also launched a dealer incentive program earlier this month. It coincides with the consumer rebate of $4,000 to owners of Peugeot diesels toward the purchase of a new 1987 gas-powered model.

Peugeot will send the dealer a check for five percent of the wholesale value of the car for each retail delivery of a 1987 model. A Peugeot spokesman said the average wholesale price ranges between $17,000 and $18,000. The program runs through Dec. 31. Peugeot had an 85-day supply of cars Oct. 1 compared with 88 days Sept. 1.

BMW of North America is continuing its 6.9 percent financing rate through Oct. 31 on all 3-series models including the M-3 and the convertible. After that date, the program will be available only for the M-3 and convertible; it expires Dec. 31 for those models. The program originally was scheduled to end Sept. 30.

BMW had a 61-day supply of cars on Oct. 1 compared with 60 days on Sept. 1.

COMPACTS

FROM PAGE 1

1987 model year, up from 465,170 the previous year.

Compact cargo vans posted a 12.89 percent decline; sales of 122,920 were off from 141,109 in the 1986 model year.

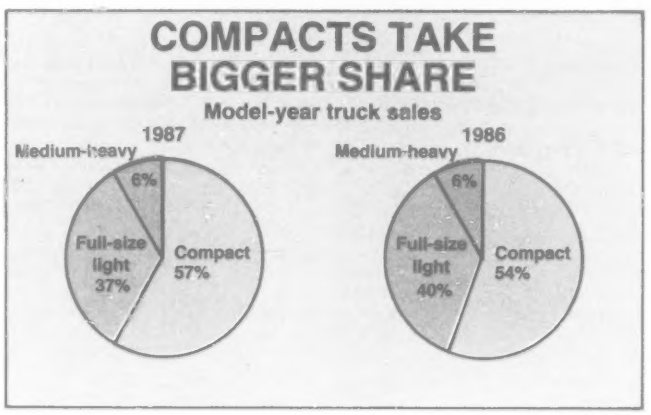
Small sport-utilities accounted for 697,521 sales in the 1987 model year, up 15.53 percent from 603,770 the year before.

Compact pickups, which are still the single largest segment in the entire truck market, have largely plateaued, as analysts predicted. This is a very crowded and mature segment with few new entries to spur its growth.

By contrast, many manufacturers have either introduced, or are planning to introduce, new entries in the compact sport-utility and van market.

In the 1987 model year, small pickups accounted for 1,441,130 sales, up marginally from 1,432,868 the previous year.

Full-sized pickup, van and sport-utility segments have all been shrinking, though GM predicts it will buck that trend with its new full-sized pickups in the 1988 model year.



LANCE GRAVES

Full-sized pickups, including the now-discontinued Chevrolet El Camino/GMC Caballero, accounted for 1,166,135 sales in the 1987 model year, off 6.63 percent from 1,248,975 the year before.

Sales of full-sized two-door sport-utilities, including Ford Bronco, Chevrolet Blazer, GMC Jimmy and Dodge Ramcharger, dropped to 110,171 from 129,441 in the 1986 model year.

Four-door station wagon-style sport-utilities, including Chevrolet/GMC Suburbans, Jeep Grand Wagoneer and Range Rover, accounted for 91,228 sales, off 7.70 percent from 99,195 the year before.

Sales of full-sized cargo and passenger vans were both off last year.

Commercial cargo models, accounting for 84.31 percent of the full-sized van market, had sales of 399,414 units, off from 422,351 in the 1986 model year.

Full-sized passenger vans, accounting for 15.69 percent of the big van market, had sales of 74,354, off from 88,571.

SALES

FROM PAGE 1

DOMESTIC SALES

	Oct. 1-10, 1987	Oct. 1-10, 1986
Eagle	656	2,680
Chrysler	9,187	12,836
Plymouth	6,627	11,497
Dodge	8,244	15,034
Chrysler Motors	24,714	42,047
Ford	26,066	40,474
Mercury	8,826	13,485
Lincoln	3,770	6,464
Ford Motor Co.	38,662	60,423
Buick	11,589	36,311
Cadillac	7,476	10,841
Chevrolet	27,648	37,985
Oldsmobile	15,397	30,302
Pontiac	14,922	21,591
General Motors	77,032	137,030
Volkswagen	805	1,310
Honda	6,784	5,203
Nissan	2,153	1,610
Toyota	593	0
U.S. Industry Total	151,043	247,623

"We've had two excellent months selling over 200 used units in both months," said James Hoffer, general sales manager, Jordon Motors (Ford-Toyota-Volvo), Mishawaka, Ind.

Sales of U.S.-built cars totaled 151,043, down from last year's 247,623. The daily selling rate this year was 16,738 compared with 27,514 a year ago. Both periods had nine selling days.

Many dealers said they expected better traffic with model introductions. Some admitted that consumers were waiting to see if rebates return. Others speculated that sales of new models may have been hurt by cancellation of television spots during National Football League games.

"There's definitely less traffic. Our sales are about 50 percent down, but we've sold all of the models with Quad 4 engines," said Johnny Crow, general sales manager, CMC Oldsmobile-Cadillac, Los Gatos, Calif.

The Big 3 reported sales downturns of 36 to 44 percent for the first 10 days of October compared to a year ago. Ford Motor Co.'s sales dropped to 38,662 units, down 36.01 percent.

Chrysler Motors' sales slumped 41.22 percent to 24,714. Mid-October sales may be boosted by the infusion of new rebates up to $1,000 that kicked off Oct. 15.

A Las Vegas Chrysler-Plymouth dealer said, "Inventories are good. The Fifth Avenue, Voyager are very popular. We're down about 10 percent compared to the first 10 days of September. We have about a 90- to 120-day supply. We're excited about the new incentives."

General Motors' deliveries slumped 43.78 percent to 77,032 compared with a stellar 137,030 a year ago. A bright star for Pontiac dealers is Bonneville, which more than doubled its sales of the first 10 days of October last year.

"The Bonneville SE is the highlight of our car line," reported Sam De Angelo, general sales manager, Ray Laethem Pontiac, Detroit.

Honda reported a 30.39 percent sales gain for the period with 6,784 deliveries vs. 5,203 last year.

Nissan's sales rose 33.73 percent. Toyota sold 893 cars in the first 10 days of October; it was not reporting sales of U.S.-built cars at this time last year. Volkswagen's sales of U.S.-built cars were off 38.55 percent. Mazda did not issue a U.S. sales report.

SATURN

FROM PAGE 3

Another provision is a right of first refusal: Saturn can buy a dealership if the dealer wants to sell to somebody who does not meet Saturn's qualifications. Saturn would buy under the same terms as the unacceptable buyer had offered. The same clause is in the GM dealer agreement.

But unlike the GM agreement or others, Saturn also has the right of first refusal when a dealer is threatened with termination. For example, if a dealer fails to meet performance standards for sales or customer satisfaction, Saturn can buy the dealership for the fair market value.

Cubbin said that because Saturn dealers will have unusually large market areas, Saturn cannot afford to have an area uncovered.

The successor provision in the Saturn franchise agreement is also different from others. Successors must go through the same selection process as initial dealers. Ideally, Saturn would like to have dealers write into their business plan who their successor will be. The successor then will go through the qualifying process long before the successor takes over.

In yet another unusual provision, the Saturn franchise agreement requires training for all dealership personnel. Training involves not only technical and product training but also teaching personnel the importance of customer satisfaction and how to achieve it.

In August, Saturn sent about 12,000 packets of information on the franchise to all GM dealers and others who had requested the information. The packets included preliminary applications.

Donald Hudler, Saturn vice president of sales, service and marketing, called the response "gratifying."

Saturn will have 100 dealers in 30 major markets when its car is launched in 1990. Dealers will be added as production at the Spring Hill, Tenn., plant increases gradually to 250,000 units a year.

Saturn will begin the dealer selection process by geographic area. Southern California dealers will be chosen first; New York next.

Qualified dealers will be sent a second, more detailed, questionnaire.

The questionnaires will be followed by visits by Saturn officials to the dealerships beginning in January and a visit by the dealers to Saturn headquarters to see the car and product plans.

Hudler said about 80 percent of the preliminary applications returned to Saturn are from GM dealers. They came from all over the country, and Saturn has received at least two applications for each of its 123 market areas.

Of the 2,000 applications received, Hudler said more than 1,800 met the minimum net worth of $1.3 million. He added that about 50 applications came from individuals or groups with no experience in the auto business.

In addition to processing applications, Saturn will study each of the 123 market areas to identify who the best dealers are. Hudler said Saturn will recruit good dealers who did not apply.

Dealers will be allowed to have multiple locations, including sites in shopping centers.